Report

OF THE

Indian Merchants' Chamber

FOR THE YEAR

1929

(Presented to the Annual General Meeting of the Chamber held on 25th January 1930).

Published by

A. C. Ramalingom, Ag. Secretary, Indian Merchants' Chamber,
"The Recluse," 31, Murzban Road, Fort, Bombay.

Printed at

"The Indian Daily Mail," Fort, Bombay.

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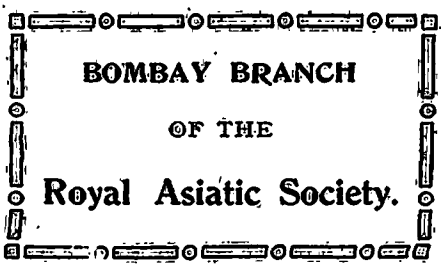
1930.



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ANNUAL REPORT

OF THE

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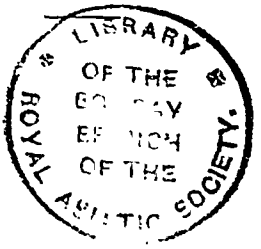

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No.	Representative.	Member.	Address.
1	Hon. Sir Dinshaw Edulji Wacha.	Messrs. Morarjee Goculdas & Co.	Sudama House, Ballard Estate, Fort, Bombay.
2	Mr. Chunilal Devkaran Nanji	,, Chugondas & Co. ..	17, Elphinstone Circle, Fort, Bombay
3	Hon. Sir Munmohundas Ramji	Hon. Sir Munmohundas Ramji ..	Shushtri Building, Circle, Bombay.
4	Mr. Chatrabhuj Morarji Velji	Messrs. Morarji Velji & Co. ..	Mulji Jetha Market, Nava Govind Chawk, Bombay.
5	,, Jamnadas Devidas ..	,, Jethabhai Govindji & Co.	Mulji Jetha Market, Sir Vithaldas Galli, Bombay.
6	,, Jethabhai Kalyanji ..	,, Valji Shamji & Co. ..	Mulji Jetha Market, Chawk, Bombay
7	,, Vallabhdas Chaturbhuj Shivji.	,, Chaturbhuj Shivji & Co. ..	Mulji Jetha Market, Chikhal Galli, Bombay.
8	,, Mathuradas Valji ..	,, Valji Sunderji & Co. ..	Mulji Jetha Market, Ghadil Galli, Bombay.
9	,, Karsandas Thackersey .	,, Damodar Haridas & Co. ..	Mulji Jetha Market, Chikhal Galli, Bombay.
10	,, Devidas Madhowji Thackersey	,, Madhowji Thackersey & Co.	Raja Bahadur Motilal Mansion, Bruce Street, Bombay.
11	,, Madhowji Jesang ..	,, Ramdas Madhowji & Co.	Mulji Jetha Market, New Narayan Chawk, Bombay.
12	,, Vithaldas Damodar Govindji,	,, Damodar Govindji Sons & Co,	Govind Building, Princess Street, Bombay.
13	Mr. Balvant Ramchandra .	Messrs. Bhalchandra Balvant & Co.	Mulji Jetha Market, Narayan Chawk, Bombay,
14	,, Morarji Hemraj Kanji..	,, Hemraj Kanji & Co. ..	Mulji Jetha Market, New Govind Chawk, Bombay.
15	,, Hiralal Amratlal ..	,, Hiralal Amratlal & Co. ..	Mulji Jetha Market, Dwarkesh Galli, Bombay.
16	,, Purshottam Mulji ..	,, Padamsi Munji & Co. ..	27-33, Meadows St., Fort, Bombay.
17	,, Goculdas Jivraj ..	,, Ghela Dayal & Co. ..	Mulji Jetha Market, Ghadial Galli, Bombay.
18	,, Haridas Purshottam Govindji.	,, Purshottam Govindji & Co.	Mulji Jetha Market, Chawk, Bombay.
19	Rao Saheb Harjivan Valji	,, Harjivan Valji & Co. ..	12, Champa Galli, Shaikh Memon St., Bombay.
20	Mr. Chhotalal Kanji ..	,, Chaturbhuj Jivandas & Co.	Mulji Jetha Market, Navi Gomukh. Galli, Bombay.
21	,, Vallabhdas Jamnadas	,, Vallabhdas Jamnadas & Co.	Mulji Jetha Market, Ghadial Galli, Bombay.
22	,, Mathuradas Lladhar ..	,, Jeram Hari	Shaikh Memon St. Bombay.
23	,, Bhugwandas Vussonji	,, Kanji Karsan & Co. ..	28-30, Peddar Road, Bombay.
24	,, Purshottamdas Lalji ..	,, Lalji Tricumji & Co. ..	Mulji Jetha Market, Ghadial Galli, Bombay
25	,, Karsandas Premji ..	,, Karsandas Purshotam & Co.	Mulji Jetha Market, Navi Galli, Bombay.
26	,, Lalji Naranji ..	,, Lalji Naranji & Co. ..	Ewart House, Tamarind Lane, Fort, Bombay.
27	,, Vallabhdas Valji ..	,, Valji Khimji & Co. ..	Mulji Jetha Market, Navi Galli, Bombay.

No.	Representative	Member.	Address.
28	Mr. Ranchhoddas Vullabhdas Kanji.	Messrs. Vullabhdas Kanji & Co.	Mulji Jetha Market, Ghadial Galli, Bombay.
29	„ Gordhandas Mathradas	Mr. Gordhandas Mathradas ..	Mulji Jetha Market, Ghadial Galli, Bombay.
30	„ Vandravandas Valji ..	Messrs. Vishram Dhanji & Co. ..	Mulji Jetha Market, Krishnaraj Gall. Bombay.
31	„ Kalyanji Bhimji ..	„ Bhimji Dwarkadas & Co.	Laxmidas Market, Shaikh Memon Street, Bombay.
32	„ Hirji Rustomji	„ Damodar Valji & Co. ..	Mulji Jetha Market, Dadar Galli, Bombay.
33	„ Dwarkadas Vussanji ..	„ Purshottam Laxmidas & Co.	Mulji Jetha Market, Nava Govind, Chawk, Bombay.
34	„ Vaman Shridhar Apte .	„ Vaman Shridhar Apte & Co	Mulji Jetha Market, Govind Chawk, Bombay.
35	Hon. Sir Phiroze C. Sethna	Hon. Sir Phiroze C. Sethna ..	Canada Building, Hornby Road, Fort. Bombay.
36	Mr. Madhowji Damodar Thackersey.	Messrs. Thackersey Moolji & Co.	16, Apollo Street, Fort, Bombay.
37	„ Chaturbhuj Gordhandas Sunderdas.	„ Mulji Jetha & Co.	Ewart House, Tamarind Lane, Fort, Bombay.
38	„ Munmohandas Laxmidas	„ Motilal Keshavji & Co. ..	Raja Bahadur Motilal Mansion, Bruce St., Fort, Bombay.
39	„ Gordhandas Govindji ..	„ Morarji Govindji & Co. ..	Mulji Jetha Market, Chikhal Galli, Bombay.
40	Mr. Lalji Dayal ..	Messrs. Hirji Dayal & Co. ..	Girgaon Back Road, Bombay.
41	„ Keshavji Ramji Laxmidas	„ Ramji Laxmidas & Co. ..	Mulji Jetha Market, Chawk, Bombay.
42	„ Mulji Goculdas ..	„ Dharamsey Rattansey ..	Laxmidas Market, Shaikh Memon Street, Bombay.
43	„ Harjivan Purshottam..	„ Jamnadas Haridas & Bros.	Mulji Jetha Market, New Govind Galli, Bombay.
44	„ Mulji Laxmidas ..	„ Gopalji Valji Sunderji & Co.	Mulji Jetha Market, Ghadial Galli, Bombay.
45	„ Ramdas Ranchhoddas	„ Ranchhoddas Thackersey & Co.	Mulji Jetha Market, New Govind Chawk, Bombay.
46	„ Bhagwandas Gordhandas	„ Gordhandas Thackersey & Co.	Mulji Jetha Market, New Govind Chawk, Bombay.
47	„ Jamnadas Harakhji ..	„ Jamnadas Harakhji & Co...	82, Dady Seth Agiari Lane, Bombay.
48	„ Jethmal Narandas ..	„ Jethmal Narandas & Co. ..	Mulji Jetha Market, Sancha Galli, Bombay.
49	„ Mathuradas Haribhai ..	„ Mathuradas Haribhai & Co.	Mulji Jetha Market, Dharamraj Galli, Bombay.
50	„ Laxmidas Keshavji ..	„ Haridas Keshavji & Co. ..	Mulji Jetha Market, Krishnaraj Galli, Bombay.
51	„ Revashanker Jagjivan .	„ Revashanker Jagjivan & Co.	Khara Kuva, Shaikh Memon Street, Bombay.
52	„ Sheriff Devji Kanji ..	„ Devji Kanji & Co.	Chakla Street, Mandvi, Bombay.
53	Sir Purshotamdas Thakurdas	„ Narandas Rajaram & Co. ..	Navsari Chambers, Outram Road, Fort, Bombay.
54	Mr. Govindji Ratansi Mulji.	Mr. Govindji Ratansi Mulji ..	Feltham House, Ballard Estate, Fort Bombay.

No.	Representative	Member.	Address.
55	Mr. Purshottamdas Jivandas	Messrs. Ramdas Khimji & Co. ..	Albert Building, Hornby Road, Fort, Bombay.
56	„ Dhanjibhoy B. Petit ..	„ Dhanjibhoy B. Petit & Co.	Elphinstone Circle, Fort, Bombay.
57	„ Govindlal Shivlal ..	„ Raja Bahadur Shivlal Motilal.	Hari Building, 58-64 Custom House Road, Fort, Bombay.
58	„ S. R. Bomanji ..	Mr S. R. Bomanji	Forbes Street, Fort, Bombay.
59	„ Hansraj Jivandas ..	Messrs. Khimji Vishram & Co. ..	Dana Bunder, Broach Street, Bombay
60	„ Pelanji Dadabhoy Chowna.	„ Drewet Chowna & Co. ..	46, Church Gate St., Fort, Bombay.
61	„ Tricumdas Gordhandas Khatau.	„ Khatau Makanji & Co. ..	Commissariat Building, Hornby Road Bombay.
62	„ N. D. Dadyseth ..	Mr. N. D. Dadyseth	17, Waudby Road, Fort, Bombay.
63	„ Kaikobad Cowasji Dinshaw.	Messrs. Cowasji Dinshaw & Bros.	121, Medows Street, Fort, Bombay.
64	„ Fidahusein Samsuddin ..	„ Shaikh Mahomed Shaikh Dawood & Co.	Crawford Market, Bhusari Street, Bombay.
65	„ Vithaldas Kanji ..	Mr. Mathuradas Vissanji	9, Wallace Street, Fort, Bombay.
66	„ Govindram Harsomal ..	Messrs. Tarachand Ghansyamdas & Co.	Jhaveri Bazar, Shaikh Memon Street Bombay.
67	Mr. Karsandas Mulji Jetha	Mr. Karsandas Mulji Jetha ..	316, Hornby Road, Fort, Bombay
68	„ Khimji Shamji ..	Messrs. The Grain Merchants' Association.	262, Musjid Bunder Road, Bombay
69	„ Anandrao Krishna Rao Kothare.	„ K. P. Kothare & Co. ..	Apollo Street, Fort, Bombay.
70	„ Pestonji Edulji Dhala ..	„ The Indian Mercantile Insurance Co. Ltd.	11, Bank Street, Fort, Bombay.
71	Sir Lallubhai Samaldas ..	Sir Lallubhai Samaldas	Apollo Street, Fort, Bombay.
72	Mr. Sultanbhoy Hajibhoy ..	Messrs. Hajibhoy Lalji & Co. ..	Akbar Building, Hornby Road, Fort Bombay.
73	Sir Fazulbhoy Currimbhoy Ibrahim.	Sir Fazulbhoy Currimbhoy Ibrahim	12-14, Outram Road, Fort, Bombay.
74	Mr. Narandas Chatrabhuj ..	Messrs. Gordhandas Khetsey ..	Manordas St. 40, Holi Chakla, Fort, Bombay.
75	Sir Shapurji B. Billimoria ..	„ S. B. Billimoria & Co. ..	113, Esplanade Road, Fort, Bombay.
76	Mr. R. D. Cam	„ Tata Sons Ltd.	Bombay House, Bruce Street, Fort, Bombay.
77	„ Manekji Jethabhai Vurdhman.	Mr. Manekji Jethabhai Vurdhman	56, Tamarind Lane, Fort, Bombay.
78	„ Dadabhai J. Registrar ..	Messrs. The Berar Mfg. Co., Ltd.	Lloyd Building, Ballard Estate, Fort Bombay.
79	„ Hirjibhai Shapurji Patuck	„ H. S. Patuck & Co. ..	Ismailji Building, Bank Street, Fort Bombay.
80	„ Kikabhai Premchand ..	„ Premchand Roychand & Sons.	Apollo Street, Fort, Bombay.
81	„ Harikishandas Mehra ..	„ The Hindustani Native Merchants' Association.	342, Kalbadevi Road, Bombay.

No.	Representative	Member.	Address.
82	Mr. Ratanchand Navalchand Javeri	Messrs. Manekchand Panachand & Co.	Javeri Bazar, Shaikh Memon Street, Bombay.
83	Dr. M. Venkatrao ..	„ N. Powell & Co. ..	Sandhurst Road, Bombay.
84	Mr. Nahalchund Laloochund..	Mr. Nahalchund Laloochund ..	Tamba Kanta, Pydhonie, Bombay
85	„ Hargopal Motilal ..	Messrs. Durgadas Jaidayal ..	Khara Kuva, Shaikh Memon Street, Bombay.
86	„ Vallabhdas Dayal ..	Mr. Vallabhdas Dayal	Vadgadi, Mandvi, Bombay.
87	„ Bharata K. S. Aiyar ..	Messrs. K. S. Aiyar & Co. ..	65, Apollo Street, Fort, Bombay.
88	„ Hirachand Vanechand Desai.	„ Hirachand Vanechand Desai & Co.	Kalbadevi Road, Bombay.
89	Prof. S. R. Davar	„ Davar's College of Commerce.	80-82, Esplanade Road, Fort, Bombay
90	Mr. Nassurwanji K. A. Chinoy	Mr. Nassurwanji K. A. Chinoy ..	Chinoy Mansion, Colaba, Bombay.
91	„ Shivji Chapsey ..	Messrs. Vussanji Velji & Co. ..	Marwari Bazar, Bombay.
92	„ Phirozeshaw N. Mehta	„ P. N. Mehta & Co. ..	Cook's Building, Hornby Road, Fort, Bombay.
93	„ Nandlal Kilachand ..	„ Kilachand Devchand & Co. Ltd.	Allahabad Bank Bldg., Apollo Street Fort, Bombay.
94	Mr. Chhotalal V. Mehta ..	Messrs The Bank of Morvi, Ltd...	Mahendra Mansions, Esplanade Road, Fort, Bombay.
95	„ Sorabji N. Pochkhanawala	„ The Central Bank of India, Ltd.	Esplanade Roade, Fort, Bombay.
96	„ Beniprasad R. Dalmia ..	„ Mamraj Rambhagat & Co. ..	2, Sheikh Memon Street, Bombay.
97	„ Morarji Kanji	„ Thakkar Amarsey Kanji ..	Mulji Jetha Market, Sancha Galli, Bombay.
98	„ Manilal Goculbhai Mulchand	Mr. Manilal Goculbhai Mulchand	Champa Galli, Bombay.
99	„ Hirachand Vanechand Desai.	Messrs. The Bombay Shroff Association.	Shroff Bazar, Shaikh Memon Street, Bombay.
100	„ Jamnadas Mulchand Parekh.	„ Goculbhai Dolatram & Co. ..	Kalbadevi Road, Bombay.
101	„ Lavji Meghji ..	„ Curumsey Damji & Sons ..	Girgaum Back Road, Bombay.
102	„ Ibrahim F. Lalljee ..	„ Joomabhoy Lalljee & Co. ..	Samuel Street, Bombay.
103	„ Liladhar Javerchand	„ Mulchand Vussanji & Co. ..	90, Bazar Gate Street, Fort, Bombay.
104	„ Dwarkadas Tribhovandas	Mr. Dwarkadas Tribhovandas ..	Singhani Building, Shaikh Memon St. Bombay.
105	„ R. D. Patel	Messrs. Patel Bros.	"Gulestan," 6, Napier Rd., Fort, Bombay.
106	„ Hormasji D. Jassoobhoy	„ Chandabhoy and Jassoobhoy.	43, Apollo Street, Fort, Bombay.
107	Hon. Mr. Ratansi Dharamsi Morarji.	Hon. Mr. Ratansi Dharamsi Morarji.	Sudama House, Ballard Estate, Fort, Bombay.
108	Mr. Fakirmahomed C. L. Sajun	Messrs. C. L. Sajun & Co. ..	Carnac Bunder, Bombay.

No.	Representative.	Member.	Address.
109	Mr. Rowjee Ghellabhoy ..	Messrs. Hirji Ghellabhoy & Co., ..	Bhat Bazar, Mandvi, Bombay
110	„ Jehangir Bomanji Petit	Mr. Jehangir Bomanji Petit ..	359, Hornby Road, Fort, Bombay.
111	„ Cassamalli Jerajbhoy Peerbhoy. ..	Mr. Cassamalli Jerajbhoy Peerbhoy	Peddar Road, Bombay.
112	„ Vithaldas Liladhar Bhimji	„ Vithaldas Liladhar Bhimji ..	Princess Street, Bombay.
113	„ M. V. Subiah	Messrs. The Commission and General Agency.	Younoos Building, Nagarpet, Bangalore City.
114	„ Vithaldas Bhawanidas ..	Mr. Vithaldas Bhawanidas ..	Tamba Kanta, Pydhonie, Bombay.
115	„ Dwarkadas Kalyandas ..	„ Dwarkadas Kalyandas ..	Ridge Road, Malabar Hill, Bombay
116	„ Lakhmidas Rowjee Tairsee	Messrs. Lakhmidas & Co. ..	29-31-33 Bohra Bazar Street, Holi. Chakla Bombay.
117	„ Kirtilal Manilal ..	„ Surajmal Lallubhai & Co. ..	Kalbadevi Road, Bombay.
118	„ Brij Beharilal	„ J. N. Singh & Co., Ltd. ..	26, Princess Street, Bombay.
119	„ Manharlal Vrajdas Merchant.	Mr. Manharlal Vrajdas Merchant	Dady House, Church Gate Street, Fort, Bombay.
120	„ Nagindas A. Adatia ..	Messrs. Nagindas and Maneklal ..	Ravelin Street, Hornby Road, Fort, Bombay.
121	Mr. Mavji Govindji ..	Messrs. Mavji Govindji & Co. ..	Apollo Street, Fort, Bombay.
122	„ Maganlal Parbhudas ..	„ The Bombay Yarn, Copper and Brass Native Merchants' Association.	Tamba Kanta, Pydhonie, Bombay.
123	„ Girjashanker B. Trivedi	„ Trivedi & Co.	Navsari Chambers, Outram Road, Fort, Bombay.
124	„ Amar Nath Chopra ..	„ The Punjab National Bank Ltd.	Sassoon Building, Churchgate Street, Bombay.
125	„ Ramchandra M. Bhatt	Mr. Ramchandra M. Bhatt ..	36-37, Sandhurst Road, Girgaum, Bombay.
126	„ Laxmidas Devji ..	Messrs. Jetha Devji & Co. ..	Sak Galli, Mandvi, Bombay.
127	„ Vithaldas Purshottam ..	„ Pitambar & Co.	Sudama House, Ballard Estate., Fort, Bombay.
128	„ Bhailal Dajibhai Amin	„ The Alembic Chemical, Works Co., Ltd.	Baroda Camp.
129	„ A. D. Shroff	„ Batlivala and Karani ..	Dalal Street, Fort, Bombay.
130	„ Maneklal Manilal Ranchhoddas Pari.	Mr. Maneklal Manilal Ranchhoddas Pari.	Maneck Chawk, Ahmedabad.
131	„ Ismail A. H. Moosa ..	Messrs. Ismail A. H. Moosa Ltd.	Commissariat Building, Hornby Road, Bombay.
132	„ Phiroze J. Billimoria ..	„ The Indian Cement Co., Ltd.	Bombay, House, Bruce Street, Fort, Bombay.
133	„ M. A. J. Noble ..	Mr. M. A. J. Noble	26, Parsi Bazar Street, Fort, Bombay.
134	„ Jayvant Shantaram Divadkar	Messrs. Narayan Dhondoba & Co.	Lloyd Building, Ballard Estate, Fort, Bombay.

No.	Representative	Member.	Address
135	Mr. Shoorji Vallabhdas ..	Messrs. Shoorji Vallabhdas & Co. ..	Navsari Building, Hornby Road Bombay.
136	,, Laxmichand M. Dosi ..	,, Laxmichand Padamsey & Co.	439, Kalbadevi Road, Bombay.
137	,, Rameshwardas Birla ..	,, Shivnarayan Baldevdas & Co.	Patel Building, Marwari Bazar, Bombay.
138	,, Karsandas Thackersey Ravj.	Mr. Karsandas Thackersey Ravji	183-185, Hornby Road, Fort, Bombay
139	,, Narsidas Jekisandas Gangadas.	,, Narsidas Jekisandas Gangadas	Shahibag, Ahmedabad.
140	,, Jiwandas D. Joshi ..	Messrs. Doongursee & Sons ..	59, Forbes Street, Bombay.
141	,, Ramnivas Ramnarain	Messrs. Hurnundrai Ramnarain ..	395, Kalbadevi Road, Bombay.
142	,, Hormasji Bapuji Gazdar	Mr. Hormasji Bapuji Gazdar ..	Beach House, Nepean Sea Road, Malabar Hill, Bombay.
143	,, T. M. Rangachari ..	,, T. M. Rangachari	Poonamalli High Road, Madras.
144	,, Walchand Hirachand ..	,, Walchand Hirachand ..	Phoenix, Building, Ballard Estate, Bombay.
145	,, Ratanchand Hirachand	Messrs. Pathak & Walchand Ltd.	Phoenix, Building, Ballard Estate Bombay.
146	,, Ambalal Sarabhai ..	Mr. Ambalal Sarabhai	Retreat Shahibag, Ahmedabad.
147	Mr. Mansukhlal Atmaram Master.	Mr. Mansukhlal Atmaram Master	Sudama House, Ballard Estate, Bombay.
148	,, Damodar Govindji Madhowji.	Messrs. Govindji Madhowji & Co.	16, Apollo Street, Bombay.
149	,, H. M. A. Anik	,, H. Anik & Co.	Oppt. Colaba Post Office, Bombay.
150	,, Bhagwandas Gordhandas	Mr. Bhagwandas Gordhandas ..	9, Wallace Street, Fort, Bombay.
151	,, Mathuradas Canji Matani	Messrs. Kanji Dwarkadaswala ..	53, Mint Road, Fort, Bombay.
152	,, Madhavlal Makanji ..	,, Madhavlal & Co., Ltd. ..	Alice Building, Hornby Road, Bombay
153	,, Nemchand Popatlal Vohora.	,, C. K. Vohora & Co. ..	78, Nagdevi Street, Bombay.
154	,, Nandlal Madhavdas ..	,, Amersey Damodar ..	106, Bhuleswar Road, Bombay.
155	,, Kekhushru Manekji Cooper	,, K. & J. Cooper	Katgara House, 15 Nepean Sea Road, Bombay.
156	,, Fazulbhoy Ibrahim Rahimtulla.	,, Fazulbhoy Ibrahim & Co., Ltd.	Ismail Building, Hornby Road, Bombay.
157	,, Manilal Jugaldas ..	Mr. Manilal Jugaldas	4, Green Street, Fort, Bombay.
158	,, Hargovind Ambaram Jani	Messrs. Hargovind Shivlal & Co..	Tank Bunder, Mazgaon, Bombay.
159	,, Narandas Keshoordas .	,, Lalji Godhoo & Co. ..	Samuel Street, Vadgadi, Bombay.
160	,, Manilal Balabhai ..	,, Manilal Balabhai & Co. ..	36, Humam Street, Fort, Bombay.
161	,, Mathuradas Tricumdas	,, Mathuradas V. Kothare & Co. ..	45, Apollo Street, Fort, Bombay.

No.	Representative	Member.	Address.
162	Mr. Shantidas Ashkaran ..	Mr. Shantidas Ashkaran ..	"Shanti Nivas" Nepean Sea-Road, Bombay.
163	,, Vyas Laxmishanker Narbadashanker.	,, Vyas Laxmishanker Narbadashanker	C/oChandrodaya Mill, Viramgam.
164	,, Ishwardas Lukhmidas ..	,, Ishwardas Lukhmidas ..	"Garden View," Hughes Road, Bombay.
165	,, N. M. Muzumdar ..	,, N. M. Muzumdar	C o Tata Sons, Ltd., Bruce Street, Fort, Bombay.
166	,, Hatim E. Attari ..	,, Hatim E. Attari	Asian Building, Ballard Estate, Bombay.
167	,, Ishwarlal Ganpatram Gajjar.	,, Ishwarlal Ganpatram Gajjar	Parekh Building, New Queen's Road, Bombay.
168	,, Vassanji Naranji Bhimji	,, Vassanji Naranji Bhimji ..	Vadgadi, Mandvi, Bombay.
169	,, Keshavji Nanji ..	,, Keshavji Nanji	Laxmidas Khimji Market, Bombay.
170	,, Rahimtulla M. Chinoy ..	Messrs. F. M. Chinoy & Co. ..	Band stand, Chaupaty, Bombay.
171	,, Edulji S. Cooper ..	,, Pallonji Edulji & Sons ..	New Charni Road, Girgaon, Bombay.
172	,, Velji Lukhamsi Nappoo	,, Nappoo Nensee & Co. ..	188, Argyle Road, Dana Bunder, Bombay.
173	,, Alimohmad R. Macklai..	Mr. Alimohmad R. Macklai ..	99, Esplanade Road, Fort, Bombay.
174	Mr. J. H. Bhabha	Messrs. The Tata Hydro Electric Power Supply Co., Ltd.	Bombay House, Bruce Street, Fort Bombay.
175	,, Dwarkadas Jekisondas ..	Mr. Dwarkadas Jekisondas ..	Dwarkadas Mansion, Sandhurst Road, Bombay.
176	,, Brijmohan Laxminarayan.	Messrs. Cheniram Jesraj & Co. ..	175, Kalbadevi Road, Bombay.
177	,, Hansraj Haribhai ..	,, Hansraj & Co.	20, Elphinstone Circle, Fort, Bombay.
178	,, Vallabhdas Runchordas	,, Vallabhdas Runchordas & Co.	Mahim, Bombay 16.
179	,, Kapilram H. Vakil ..	Mr. Kapilram H. Vakil	Navsari Building, Hornby Road, Bombay.
180	,, Baldevdas Dalshukhram Dave.	Messrs. Somnath Rupjidas Patel ..	35, 3rd Bhoivada, Bhuleshwar, P. O Box 2. 80 Bombay.
181	,, Dawood Haji Nassur ..	,, Nassur Haji Mavji & Co. ..	Khoja Mohalla. Bombay.
182	,, Amratlal Amerchand ..	Messrs. Amerchand Madhowji & Co.	36, Kazi Syed Street, Mandvi, Bombay.
183	,, Framji Dorabji Panday	,, Pestonji & Co.	371, Hornby Road, Bombay.
184	,, Moiz Shaikadam Vasi ..	,, Shaikadam Husseinalli Vasi & Co.	Vasi Building 165, Nagdevi Street, Bombay.
185	,, Laxmidas G. Tejpal ..	Mr. Laxmidas G. Tejpal	Vile-Parle (B.B. & C.I.Ry.) Bombay.
186	,, Morarji Premji Goculdas	Messrs. M. P. Goculdas & Co. ..	16, Apollo Street, Fort, Bombay.
187	,, Behram N. Karanjia ..	Mr. Behram N. Karanjia ..	238-40, Musjid Bunder Road, Bombay.
188	,, Madhavdas Goculdas Pasta	,, Madhavdas Goculdas Pasta	11, Bastion Road, Fort, Bombay.

No.	Representative.	Member.	Address.
189	Mr. Jamnadas Morarji ..	Messrs. Jamnadas Morarji & Sons	Share Bazar, 8-10 Dalal St. Fort, Bombay.
190	,, Sarabhai Prataprai ..	Mr. Sarabhai Prataprai	Madhuli, Grant Road, Bombay.
191	Sir Dinshaw Manekji Petit Bart.	Sir Dinshaw Manekji Petit, Bart.	359, Hornby Road, Bombay.
192	Mr Panachand Manchand	Mr. Panachand Manchand ..	Shaik Memon Street, Bombay.
193	,, Balkishandas Ramkishandas.	,, Balkishandas Ramkishandas.	207-209, Kalbadevi Road, Bombay.
194	,, K. R. P. Shroff ..	,, K. R. P. Shroff	80, Esplanade Road, Fort, Bombay.
195	,, Pesi R. P. Shroff ..	,, Pesi R. P. Shroff	80, Esplanade Road, Fort, Bombay.
196	,, Gordhandas Parshottamdas.	Messrs. Narandas Manordas & Co.	Shaikh Memon Street, Bombay.
197	,, Y. G. Pandit	Mr. Y. G. Pandit	Whiteaway Laidlaw Building, Hornby Road, Bombay.
198	,, R. H. Mody	Messrs. The New India Assurance Co., Ltd.	Central Bank Building, Esplanade Road, Bombay.
199	,, Kanji Karsandas ..	Mr. Kanji Karsandas	Parsi Bazar Street, Fort, Bombay
200	,, Dulerai Vanechand Desai	Messrs. Dulerai & Co.	22, Apollo Street, Fort, Bombay.
201	Mr. Natvarlal M. Chokshi	Messrs. The Bombay Swadeshi Co-operative Stores, Co., Ltd.	Cruickshank Road, Fort, Bombay.
202	,, Vithaldas Hurjiwandas	,, Hurjiwandas Jugjiwandas & Co.	26, Jambulvadi, Kalbadevi Road, Bombay.
203	,, Kisondas Munmohundas Ramji.	,, The New Kaiser-i-Hind Spg. & Wg., Co., Ltd.	Shushtary Building, Elphinstone Circle, Fort, Bombay.
204	,, Maganbhai P. Amin ..	,, Maganbhai Amin & Co. ..	32, Apollo Street, Fort, Bombay.
205	,, Maganlal Purshottamdas	,, Purshottam Pranvallabh & Co.	Dalal St., Share Bazar, Bombay.
206	,, Abubakar Abdulrahman	,, Abubakar Abdulrahman & Co.	Narayan Dhru St., Pydhonie, Bombay
207	,, Tulsidas Karsandas ..	Mr. Parmanand Karsandas Hargovan.	Mulji Jetha Market, Chawk, Bombay.
208	,, S. D. Sethia ..	Messrs. Shivji Dharamsey Sethia & Co.	16, Apollo Street, Fort, Bombay.
209	,, Tulsidas Ramdas ..	Mr. Tulsidas Ramdas	C/o Ebrahim Tulsidas & Co., Narayan Dhru Street, Pydhonie, Bombay.
210	,, Pragji Dayal Hariani ..	,, Pragji Dayal Hariani ..	112, D'Souza Street, Mandvi, Bombay
211	,, Jivanlal Chimanlal Setalvad.	Messrs. J. C. Setalvad & Co. ..	Jehangir Wadia Building, Esplanade Road, Bombay.
212	,, Narandas Bhawanji. ..	,, Narandas Bhawanji & Co...	97, Vachhat House, Bhandari St., Bombay.
213	,, Rattansey Hirji ..	,, Hirji Govindji & Co. ..	45, Baroda St., Dana Bunder, Bombay.
214	,, Chimanlal Mohanlal ..	,, Chimanlal Mohanlal & Co.	Patel Building, Javeri Bazar, Bombay.
215	,, Balabhai Jamnadas ..	,, The Gujarat Oil Mill & Mfg. Co., Ltd.,	Asarva, Post Kalupur, Ahmedabad

No.	Representative	Member.	Address.
216	Mr. Ratan C. Gazdar ..	Messrs. Bomanji C. Gazdar & Co.	16, Apollo Street, Fort, Bombay.
217	,, Maneklal Ujamshi ..	Mr. Maneklal Ujamshi	70, Apollo Street, Fort, Bombay.
218	,, Dullabhdas H. Gandhi	,, Ranchhoddas Harjivandas Gandhi.	Ramchandra Building, Princess Street. Bombay.
219	,, Hooseinbhoy Hassum ..	,, Hooseinbhoy Fassum ..	168, Samuel Street, Bombay,
220	,, Kanchanlal Varajdas ..	Messrs. M. Kanji & Co.	Cawasji Patel Street, Fort, Bombay.
221	,, Karsandas Tejpal ..	Messrs. Karsandas Tejpal & Co.	Kantilal House, New Queens Road. Bombay.
222	,, Shamji Hemraj ..	,, Shamji Hemraj & Co. ..	ReadyMoney Mansion, Churchgate Street, Bombay.
223	,, Shatikumar N. Morarjee.	,, The Sholapoor Spg. & Wg. Co., Ltd. ..	Sudama House, Ballard Estate, Bombay.
224	,, Laxmidas G. Dossa ..	,, Goculdas Dossa & Co. ..	22, Apollo Street, Fort, Bombay.
225	,, Morarji Keshavji ..	,, Morarji & Hormasji ..	Shaikh Memon Street, Champa Galli, Bombay.
226	,, Bomanji Dorabji Kapadia	Mr. Bomanji Dorabji Kapadia ..	Engineer Building, Princess Street, Bombay.
227	,, Motiram Waghji ..	Messrs. Pragji Iladhar & Co. ..	Bhat Bazar, Mandvi, Bombay.
228	Mr. Gustadji Dossabhoy Billimoria.	Mr. Gustadji Dossabhoy Billimoria	69, Walkeshwar Road, Bombay.
229	,, Thakorlal Hiralal Vakil	Messrs. Vakil Brothers ..	73, Apollo Street, Bombay.
230	,, Chunilal Baldevdas	Mr. Chunilal Baldevdas	C/o Gordhandas Mulchand, Kolsa Mohalla, Bombay.
231	,, B. D. Sardesai ..	Messrs. The Tata Construction Co. Ltd.	Phoenix Building, Ballard Estate, Bombay.
232	,, H. H. Belgaumwalla ..	Mr. H. H. Belgaumwalla ..	Hubli.
233	,, Nowroji H. Belgaumwalla	,, Nowroji H. Belgaumwalla	C/o The Bombay Samachar Office, Custom House Road, Bombay.
234	,, S. C. Bannerji	Messrs. Marsland Price & Co., Ltd.	Phoenix Building, Ballard Estate, Bombay.
235	Prof. Khushal T. Shah ..	Prof. Khushal T. Shah	New University Building, Esplanade Road, Bombay.
236	Mr. Narotam V. Purshottam	Messrs. Vithal Purshottam & Son	Apollo Street, Fort, Bombay.
237	,, Nensey Tejpal ..	Mr. Nensey Tejpal	Nana Colaba, Thomas Street, Bombay
238	,, Framroze A. Mody ..	,, Framroze A. Mody ..	Oomrigar Building, Carnac Road, Bombay.
239	,, Behram N. Karanjia ..	Messrs. The Japan & Shanghai Silk Merchants' Association.	Jackeria-musjid, Bombay.
240	,, S. J. Pandya	,, The Scindia Steam Navigation Co., Ltd.	Sudama House, Ballard Estate, Fort, Bombay.
241	,, Ranchhoddas Tribhovandas Popavala.	Mr. Ranchhoddas Tribhovandas Popavala.	Dady House, Church Gate Street, Bombay.
242	,, Husseinbhoy A. Lalljee	Messrs. Abdullabhoy Lalljee & Co.	Samuel Street, Mandvi, Bombay.

No.	Representative	Member.	Address.
243	Mr. Nowroji Ardeshir Narielwala.	Messrs. A. S. Narielwala & Sons..	Cowasji Patel Street, Fort, Bombay.
244	,, Balvant Krishna Rao Wagle.	Mr. Balvant Krishna Rao Wagle	220, Kandewady, Girgaum, Bombay.
245	Sir M. Visvesvaraya ..	Sir M. Visvesvaraya	Uplands, High Ground, Bangalore.
246	Mr. M. G. Mehta	Messrs. Bakubhai Ambalal & Co.	Mahomed Building 27, Bastion Road, Fort, Bombay.
247	Sir Jamsetjee Jijibhoy, Bart.	Sir Jamsetjee Jijibhoy Bart. ..	"Mazgaon Castle," Mazagon, Bombay.
248	Mr. C. B. Nanavati	Messrs. Nanavati Vevaina & Co. .	Sudama House, Ballard Estate, Bombay.
249	,, B. J. Modi	Messrs. The Jupiter General Insurance Co., Ltd.	Tamarind Lane, Fort, Bombay.
250	,, B. M. Bhargava ..	,, The Union Bank of India Ltd.	Apollo Street, Fort, Bombay.
251	,, Gulabchand Naginchand	,, The Pearl Merchants and Jewellers' Association.	25-39, Mumbadevi Road, Bombay.
252	,, R. N. Bapasola ..	Mr. R. N. Bapasola	Forbes Street, Fort, Bombay.
253	,, Manmohandas Madhavdas Amersey.	Messrs. Amersey & Sons	Sudama House, Ballard Estate, Bombay.
254	,, Lalji Rowji Khant ..	,, Shoorji Vallabhdas Colour Co	Samuel Street Bombay

255	Mr. Ratansey Karsandas ..	Messrs. Karsandas Ranchhoddas	66, Bazar Gate Street, Fort, Bombay
256	,, Jehangir P. Katgara ..	,, Jeena & Co.	Gresham Building, Esplanade Road, Fort, Bombay.
257	,, Dhruva Sumanas ..	Mr. Dhruva Sumanas	C/o Sir Lallubhai Samaldas, Apollo Street, Fort, Bombay.
258	,, Nensey Narandas Topan ..	Messrs. Narandas Topan	Tamba Kanta, Pydhonie, Bombe
259	,, Keshavlal Lallubhai ..	Mr. Keshavlal Lallubhai	Khokha Bazar, Bhajipala Lane, Bombay.
260	,, Morarji Mulraj Khatau	Messrs. The Khatau Makanji Spg. & Wg. Co., Ltd.	Laxmi Building, 42, Ballard Road, Bombay.
261	,, Raghunath Chintaman Sohoni.	Mr. Raghuath Chintaman Sohoni	996, Sadashiv Peth, Poona City.
262	,, Cursetji Limji ..	Messrs. The Bombay Cycle and Motor Agency, Ltd.	16, New Queen's Road, Bombay.
263	,, Nassurvanji S. Guzdar	,, Nassurvanji S. Guzdar & Co	Canada Building, Home Street, Fort, Bombay.
264	,, Gordhandas Goculdas Morarji	Mr. Gordhandas Goculdas Morarji	"Mor Baug" Nayagaum Road, Dadar, Bombay.
265	,, Devidas Shamji ..	,, Devidas Shamji ..	Mulji Jetha Market, Chawk, Bombay.
266	,, Girdhardas Liladhar ..	Messrs. Girdhardas Liladhar & Co.	16, Apollo Street, Fort, Bombay.
267	,, B. Das	,, B. Das & Co.	P. O. Chandni Chowk, Cuttack.
268	,, Hiralal Chhaganlal ..	,, Chhaganlal & Co.	Carnac Bunder, Bombay.
269	,, Maneklal Chunilal ..	,, Chunilal Harilal & Co. ..	4, Green Street, Fort, Bombay.

No.	Representative.	Member.	Address.
270	Mr. Chaturbhuj Khiasee ..	Messrs. Chaturbhuj Khiasee & Co.	81-83, Chinch Bunder Road, Bombay.
271	,, Amiruddin Shalebhoy Tyebji.	,, Shalebhoy Tyebji & Sons..	28, Bank Street, Fort, Bombay.
272	,, Vishvanath P. Vaidya ..	Mr. Vishvanath P . Vaidya ..	Kirti Building, 37-39, Forbes St. Fort Bombay.
273	,, Behramji N. Gamadia ..	,, Behramji N. Gamadia ..	18, Homji Street, Fort, Bombay.
274	,, H. M. Chowna	Messrs. H. M. Chowna & Co. ..	73, Apollo Street, Fort, Bombay.
275	,, S. D. Saklatvala ..	,, Tata Mills Ltd.	Bombay House, Bruce Street, Fort, Bombay.
276	,, N. B. Saklatvala ..	,, The Svadeshi Mills Co., Ltd	Bombay House, Bruce Street, Fort, Bombay.
277	,, Mafatlal Gagalbhai ..	,, The Standard Mills Co., Ltd.	Bombay House, Bruce Street, Fort, Bombay.
278	,, Chamanlal Girdhardas Parekh.	,, The Industrial Bank of Western India, Ltd.	Lal Darvaja, Ahmedabad.
279	,, Habib Ismai ..	,, Khoja Mithabhai Nathoo .	Hanuman Building, Tamba Kanta, Bombay.
280	,, Ranchhoddas Tribhovandas Mody.	Mr. Ranchhoddas Tribhovandas Mody.	Ridge Road, Malabar Hill, Bombay.
281	,, H. P. Mody	Mr. H. P. Mody	Cumballa Hill, Bombay.
282	Mr. Ebrahim Gulamhussein Currimbhoy.	Mr. Ebrahim Gulamhussein Currimbhoy (of Messrs. Currimbhoy Ebrahim & Sons)	12-14, Outram Road, Fort, Bombay
283	,, Pirojshaw Ratanji Desai	,, Pirojshaw Ratanji Desai ..	Resham Building, Sydenham Road, Mandvi, Bombay.
284	,, S. Haji	Messrs. Narottam Ltd.	Sudama House, 31, Sprott Road, Ballard Estate, Bombay.
285	,, Shantikumar Narottam Morarjee.	Mr. Shantikumar Narottam Morarjee.	Shanti Bhuvan, Pedder Road, Bombay.
286	,, Ardeshir M. Lala ..	Messrs. The Eastern Bunkerers Ltd	Sudama House, Ballard Estate, Fort, Bombay.
287	,, R. M. Marshall ..	,, R. M. Marshall & Co. ..	Raja Terrace, Lamington Road, Bombay.
288	,, Shiavax C. Cambata ..	,, Shiavax C. Cambata & Co., Ltd.	Cook's Building, Hornby Road, Fort, Bombay.
289	Sir Currimbhoy Ebrahim, Bart.	Sir Currimbhoy Ebrahim, Bart. ..	12-14, Outram Road, Fort, Bombay.
290	Mr. Curmali Ibrahim ..	Messrs. Curmali Ibrahim & Co. ..	165/167, Khoja Mohalla, Mandvi, Bombay.
291	,, Hansraj Goculdas Naranji.	,, Hansraj Goculdas & Co. ..	9, Wallace Street, Fort, Bombay.
292	,, Hasam Rahimtulla ..	Mr. Hasam Rahimtulla	Sydney Park, Sydney Road, Bangalore.
293	,, Phirojshaw D. Patel ..	,, Phirojshaw D. Patel ..	Mulji Jetha Market, Govind Chowk, Bombay.
294	,, Kallianji Curumsey Damji	Messrs. L. K. Vussonji & Co. ..	Queens Mansion, Bastion Road, Fort, Bombay.
295	,, Chunilal B. Mehta ..	,, The Bombay Bullion Exchange, Ltd.	Shroff Bazar, Bombay.

No.	Representative.	Member.	Address.
296	Mr. Dawoodkhan Shalebhoy Tyebjee.	Messrs. Amir Brothers	28, Bank Street, Fort, Bombay.
297	,, Suleman Cassum Haji Mitha.	Mr. Suleman Cassum Haji Mitha	27, Kolsa Mohalla, Pydhonie, Bombay
298	Sir Ebrahim Rahimtulla ..	Sir Ebrahim Rahimtulla ..	Ismail Building, Hornby Road, Fort, Bombay.
299	Mr. Mahomedbhoy Gullamhussein.	Messrs. Hatimbhoy Gullamhussein & Brothers.	193, Nagdevi Street, Bombay.
300	,, Mafatlal Gagalbhai ..	Mr. Mafatlal Gagalbhai	Rustom Building, Churchgate Street, Bombay.
301	,, Jugatram S. Vaidya ..	Messrs. The Zandu Pharmaceutical Work, Ltd.	Elphinstone Road, Bombay 13.
302	,, Framroze Pestonji ..	,, P. Framroze & Co. ..	"Standard Building," Hornby Road, Bombay.
303	,, M. C. Ghia	,, M. C. Ghia & Co.	18, Humam Street, Fort, Bombay.
304	,, Burjor S. J. Aga ..	,, Shapoorji N. Chandabhoy & Co.	"Morarbhai Building," 43, Apollo Street, Fort, Bombay.
305	,, Kaikhushroo Bezenjee N. Capadia.	Mr. Kaikhushroo Bezenjee N. Capadia. ..	"Capadia House" Cumballa Hill, Bombay.
306	,, Hooseinally M. Rahimtulla.	Messrs. Jaffer Rahimtulla & Co. ..	74, Tandel Street, Umarkhadi, Bombay.
307	Hon. Raja Sir S. R. M. Annamalai. Chetty.	Hon. Raja Sir S. R. M. Annamalai Chetty.	"Natana Vilas" 38, P. C. Road, Vepery, Madras,

308	Mr. Sankalchand G. Shah ..	Messrs. Sankalchand G. Shah & Co.	Hanuman Building, Tamba Kanta, Bombay.
309	,, Vadilal Maganlal ..	,, Maganlal Dipchand ..	Khand Bazar, Bombay.
310	,, Meyer Nissim	Mr. Meyer Nissim	137, Esplanade Road, Fort, Bombay.
311	,, Parmananddas koonverji Kapadia.	The Bombay Diamond Merchants' Association.	Dadina Building, Dhanji Street, Bombay.
312	,, D. D. Writer	Messrs. D. Writer & Co.	Arab Lane, Corner Grant Road, Bombay.
313	,, Popatlal Girdharlal ..	,, Popatlal Girdharlal & Co. .	Nanji Building, Circle, Fort, Bombay
314	,, Keshavprasad C. Desai..	,, The Industrial & Prudential Assurance Co., Ltd.	Jehangir Wadia Building, Esplanade Road, Bombay.
315	,, Sorabji Rustomji Mody	,, Furdoonji Khurshedji Mody & Sons	Reay Road, Tank Bunder, Bombay
316	,, Jawahirmal Mulchand ..	,, Rai Bahadur Tikamchand ..	299, Kalbadevi Road, Bombay.
317	,, Burjorji Pestonji Mehta	,, The Bombay Glass Bangles Merchants' Association.	82, Bazar Gate Street, Fort, Bombay.
318	,, Dhirajlal C. Modi. ..	,, The Gujerati Type Foundry	Gaiwadi, Girgaon, Bombay.
319	,, Manu Subedar	,, The Peninsular Locomotive Co., Ltd.	Kodak House, Hornby Road, Fort, Bombay.
320	,, Hiralal Maganlal Desai	,, The Union Chemical Agency	70, Apollo Street, Fort, Bombay.
321	,, G. F. Munshi	,, The Gujrat Islam Match Mfg. Co., Ltd.	Kankaria Road, Ahmedabad
322	,, Kalyanbhai Sarabhai Javeri.	,, Sarabhai & Sons	Nawab Building, Hornby Road, Fort, Bombay.

No.	Representative.	Member.	Address.
323	Mr. Jeevanji Currimji ..	Messrs. The Sugar Merchants' Association.	Khand Bazar, Bombay.
324	,, R. S. Asavale	,, The Indian Co-operative Navigation & Trading Co., Ltd.	Asian Building, Nicol Road, Ballard Estate, Bombay.
325	,, C. R. H. Readymoney ..	,, India International Co. ..	Readymoney Mansion, Churchgate St., Bombay.
326	,, Narayanlal Bansilal Pittee	Mr. Narayanlal Bansilal Pittee ..	205-207-209, Kalbadevi Road, Bombay.
327	,, Khimchand A. Mehta	Messrs. Mehta & Co.	119, Medows, Street, Fort, Bombay
328	,, F. E. Dinshaw	Mr. F. E. Dinshaw	C/o Messrs. Payne & Co. Solicitors, Esplanade Road, Fort, Bombay.
329	,, Sorab Dalal	Messrs. Sorab Dalal Tile Works ..	"Westview," Khanpur Road, Ahmedabad.
330	,, F. J. Bhumgara ..	Mr. F. J. Bhumgara	28, Camomile Street, London, E. C. 3.
331	,, S. Bhattacherjee ..	Messrs. The Bengal Luxmi Cotton Mills, Ltd.	28, Pollock Street, Calcutta.
332	,, Tricumdas D. Morarji ..	,, The Dharamsi Morarji Chemical Co., Ltd.	Sudama House, Ballard Estate, Bombay.
333	,, Bhogilal Laherchand Javeri.	,, Batliboi & Co.	Forbes Street, Fort, Bombay.
334	,, Abdulla Fazulbhoy ..	,, Bombay Motor Exchange ..	67-69, Queen's Road, Opp. Marine Lines Station, Bombay.
335	Mr. H. F. Commissariat ..	Mr. H. F. Commissariat	Commissariat Building, Hornby Road Fort, Bombay.
336	,, Farroke E. Bharucha ..	,, Farroke E. Bharucha ..	Canada Building, Hornby Road, Bombay.
337	Pandit Shiva Kishan Kaul ..	Messrs. Sir Daya Kishan Kaul & Sons.	19, Abbott Road, Lahore.
338	Sir Byramjee Jeejeebhoy ..	Sir Byramjee Jeejeebhoy ..	Alice Building, Hornby Road, Fort, Bombay.
339	Mr. B. S. Lalkaka ..	Messrs. The Pioneer Magnesia works	Chartered Bank Building, Esplanade Road, Fort, Bombay.
340	,, Dharamsey Mulraj Khatau	Mr. Dharamsey Mulraj Khatau ..	42, Ballard Road, Fort, Bombay.
341	,, Ramdev Anandilal Podar	Messrs. Anandilal Podar & Co. ..	Marwari Bazar, Bombay.
342	,, Jehangir Ruttonji Dubash	Mr. Jehangir Ruttonji Dubash ..	24, Carnac Bridge Road, Akbar Press, Bombay.
343	,, Govinddas Maneklal ..	,, Govinddas Maneklal ..	Asarva Road, Ahmedabad.
344	,, Bhaidas Nanalal ..	Messrs. Bhaidas Karsondas & Co.	7/10, Elphistone Circle, Bombay.
345	,, Bhagwandas Ramchund	,, Naretumdas Ramchund & Co. ..	C/o Mackinon Mackenzie & Co., Ballard Estate, Bombay.
346	,, Vrajlal Jivandas ..	,, Lukhmidas Vrajlal & Co. ..	M. J. Market, Govind Galli, Bombay.
347	,, J. K. Dubash	Mr. J. K. Dubash	Dady House, Churchgate Street, Bombay.
348	,, Mulji Lukhmidas ..	Messrs. Vussonji Morarji ..	36, Holi Chuckla, Bombay.
349	,, Nagardas Ranchhoddas Sanghvi.	,, R. Ratilal & Co.	61, Clive Road, Dana Bunder, Bombay.

No.	Representative	Member.	Address.
350	Mr. Ramdas Raghowji ..	Messrs. Raghowji Govindji & Co. ..	Mulji Jetha Market, Navi Galli, Bombay.
351	,, Jagmohundas Kaliandas	Mr. Jagmohundas Kaliandas ..	"Laila Hall" Mount Mary, Bandra.
352	,, M. S. Captain	Messrs. Captain & Vaidya ..	121, Esplanade Road, Fort, Bombay.
353	,, Lachmandas Harkhchand Daga.	,, Rai Bahadur Bansilal Abirchand.	558/62, Shaikh Memon St., Bombay.
354	,, Tribhovan Kesavji ..	,, Tribhovan Kesavji & Co. ..	271, Frere Road, Fort, Bombay.
355	,, V. P. Lalan	,, Lalan & Co.	Elphinstone Circle, Fort, Bombay.
356	,, Pestonji Naoroji Kapadia	,, Madhowji & Naoroji ..	113, Esplanade Road, Fort, Bombay.
357	,, Hormasji Pestonji Kapadia	,, Madhowji & Naoroji ..	113, Esplanade Road, Fort, Bombay.
358	,, Nanji Ludha	,, Kurpal Harsey & Co. .. (The Bombay Rice Merchants' Association.) ..	New Chinch Bunder Road, Bombay.
359	,, Sunderdas Thakersey Rajda.	Mr. Sunderdas Thakersey Rajda ..	45, Old Hanuman Lane, Kalbadev Road, Bombay.
360	,, Gopalji Ratansey ..	Messrs. Jethabhai Gopalji & Co.	Mulji Jetha Market, Pragraj Galli, Bombay.
361	,, Chunilal B. Mehta ..	Mr. Chunilal Bhaichand Mehta ..	51 Marwari Bazar, Bombay.
362	Mr. Apaji B. Amin ..	Messrs. Apaji Amin & Co. ..	417, Kalbadevi Road, Bombay.
363	,, J. L. Mehta	,, The Bombay Life Assurance Co., Ltd.	73-75, Apollo Street, Fort, Bombay.
364	,, Ratilal M. Nanavati ..	,, Kantawalla Nanavati & Co., Ltd.	30, Tamarind Lane, Fort, Bombay.
365	,, Shapurji Sorabji ..	,, Sorabji Shapurji & Co., Ltd.	Asian Building, Nicol Road, Ballard Estate, Bombay.
366	,, J. B. Boman-Behram ..	Mr. J. B. Boman-Behram ..	Sea side, Colaba, Bombay.
367	,, Harishanker N. Pandya	Messrs. Jeewanlal (1929) Ld. ..	Kansara Chawl, Kalbadevi Road, Bombay.
368	,, Sultan Chinoy	,, The Bombay Garage ..	Opp. Band Stand, Chaupatty, Bombay.
369	,, Pherozeshah J. Marzban	,, J. B. Marzban & Co. ..	Jam-e-Jamshed Office, Ballard House, Mangalore St., Fort, Bombay.
370	,, Ahmed N. Futehally ..	,, N. Futehally & Co. ..	19, Bank Street, Fort, Bombay.
371	,, Pandharinath Ramrao Dalvie.	,, Dalvie Brothers	1, Bruce Road, Fort, Bombay.
372	,, Ballabhdas Eshwardas Agrawal.	Mr. Ballabhdas Eshwardas Agrawal.	Khandwa, C. P.)
373	,, Bhawanji A. Khimji ..	Messrs. Arjan Khimji & Co. ..	Navsari Chambers, Outram Road, Fort, Bombay.
374	Capt. S. A. Paymaster ..	Capt. S. A. Paymaster	Adenvalla House, Mathew Road, Bombay.
375	Mr. Mathradas Khimji ..	Messrs. The Jamnadas Nursey Ginning & Pressing Co., Ltd.	Albert Building, Hornby Road, Fort, Bombay.
376	,, Karamchand Chunilal ..	Mr. Karamchand Chunilal ..	Sriram Mansion, Sandhurst Road, Bombay.

No.	Representative	Member.	Address.
377	Seth Kasturbhai Lalbhai ..	Seth Kasturbhai Lalbhai ..	Pankor Naka, Ahmedabad.
378	Mr. Rustom Pestonji Masani	Mr. Rustom Pestonji Masani ..	Varsova, Via Andheri.
379	,, Dwarkadas Chhotalal Karsandas Mulji Vakil...	,, Dwarkadas Chhotalal Karsandas Mulji Vakil.	Wakefield House, Ballard Estate, Bombay.
380	Rao Bahadur Laxman Vishwanath Pophale	Rao Bahadur Laxman Vishwanath Pophale	Malegaon, (District Nasik).
381	Mr. Dayaram Surajmal Lahoti	Messrs. Mahaboobshahi Kulbarga Mills Co., Ltd.	133, Prendergast Road, Secunderabad (Dn.)
382	,, Girdharlal H. Lohana ..	Mr. Girdharlal H. Lohana ..	Duncan Road, Bombay 4.
383	,, D. T. Thadhani ..	Messrs. T. S. Thadhani & Sons ..	Kazi Syed Street, Bombay.
384	,, M. L. Dahanukar ..	Mr. M. L. Dahanukar	Parvati Bldg., Princess St., Bombay.
385	,, D. M. Madon	Messrs. The Tata Iron & Steel Co. Ltd.	Bombay House, Bruce Street, Fort, Bombay.
386	,, Mathuradas Vissanji ..	Messrs. Vissanji Sons & Co. ..	9, Wallace St., Fort, Bombay.
387	,, Nemchand Abhechand	,, Nemchand Khimchand Co. ..	182, Shaikh Memon St., Bombay.
388	,, Motilal Bawalal ..	Messrs. Motilal Bawalal	Dalal St., Fort, Bombay.
389	*Mr. N. N. Dutt*	*Messrs. Hindusthan Co.-operative Insurance Society, Ltd.*	*Commissariat Bldg., Hornby Road, Fort, Bombay.*
390	,, Hargovandas Jeevandas	*Mr. Hargovandas Jeevandas* ..	Popatvadi, Kalbadevi Road, Bombay.
391	,, Preheladji D. Bhat ..	Messrs. Purshotam Mathradas & Co. Ltd.	80, Kazi Syed Street, Bombay.
392	,, *Ebrahim Curmally* ..	Messrs. Curmally Janmahomed ..	160, Samuel Street, Bombay.
393	,, N. W. Gurjar	,, Kirloskar Bros., Ltd. ..	Kirloskarvadi, (Dist. Satara).
394	,, M. L. Dahanuker ..	The Maharashtra Chamber of Commerce.	Phoenix Bldg., Ballard Estate, Fort, Bombay.
395	,, Jayantilal Devidas ..	Mr. Jayantilal Devidas	Carnac Bunder, Bombay.
396	,, R. Hashmatrai ..	Messrs. Dhanamal Chellaram ..	63, Medows Street, Fort, Bombay.
397	Khan Bahadur D. B. Cooper	The Cooper Engineering Works ..	"Huntworth," SATARA.
398	Mr. Mulraj Karsondas ..	Messrs. Mulraj & Co.	5, Dalal St., Fort, Bombay.
399	,, Reginald Herber Parker	Bombay Telephone Co., Ltd. ..	Home St., Fort, Bombay.
400	,, G. K. Dalal	Messrs. Dalal & Mehta	41, Medows Street, Fort, Bombay.
401	,, Natvarlal Bhagvanlal Desai.	,, Natvarlal & Co.	Whiteaway Laidlaw Bldg., Hornby Road, Fort, Bombay.
402	,, G. S. Mahomed ..	Mr. G. S. Mahomed	149, Samuel Street, Bombay 3.
403	,, Tulsidas Khimji ..	,, Tulsidas Khimji	46, Churchgate St., Fort, Bombay.

No.	Representative	Member.	Address.
404	Mr. Ramjanally Ebrahim ..	Messrs. Ramjanally Ebrahim & Co.	81, Princess Street, Bombay.
405	,, Ranchhoddas Harkisondas Merchant	Mr. Ranchhoddas Harkisondas Merchant	Justice Patker's House, Hughes Road, Bombay.
406	,, Bhaidas Maganlal ..	,, Bhaidas Maganlal	Moosa Bldg., Khetwady Main Road, Bombay.
407	,, Jugmohandas J. Kapadia	,, Jugmohandas J. Kapadia ..	Coronation Bldg., C. P. Tank Road, Bombay.
408	,, A. A. Jasdenvalal ..	Messrs. Adamji Lookmanji & Co.	127, Fort Street, Fort, Bombay.
409	,, D. Cowasji	Messrs. D. Cowasji & Co. Ltd. ..	20, Fort Street, Fort, Bombay.
410	,, H. B. Reporter.. ..	,, Empress Iron & Brass Works	Connaught Road, Parel, Bombay.
411	,, Virchand Panachand Shah ..	,, Virchand Panachand & Co..	Gaumukh Bhuvan, Musjid Bunder Road, Bombay.
412	,, Khimji Madan Bhujpuria.	The Bombay Grain Dealers' Association. ..	Cutchi Dasha Shrimali Mahajanwadi, Kandewady, Bombay.
413	,, Nagindas Tribhowandas Master.	Mr. Nagindas Tribhowandas Master.	94, Medows St., Fort, Bombay.
414	,, Shivramdas B. Kedia ..	Messrs. Shivramdas Gangaprasad Kedia.	556, Shaikh Memon Street, Bombay.
415	,, Ardeshir Rustomji Billimoria.	Madan Theatres, Ltd.	Excelsior Theatre, Fort, Bombay.
416	Mr. H. M. Mehta	Messrs. H. M. Mehta & Co. ..	Apollo St., Fort, Bombay.
417	,, Arvind N. Tana ..	Mr. Arvind N. Tana	Bharucha Bldg., Princess Street, Bombay.
418	,, Jagjivan Ujamshi ..	,, Jagjivan Ujamshi	Wadia Bldg., Dalal St., Bombay.
419	,, Chandulal Mohanlal ..	,, Hemchand Mohanlal ..	Dhanji Street, Bombay.
420	,, Erachshaw R. Heerjibehedin.	,, Erachshaw R. Heerjibehedin	Kaiser-Chambers Elphinstone Circle, Fort, Bombay.
421	,, V. Kamaraj	T. C. P. A. Yelasarakku Virpanai Co., Ltd.	74-76, Kazi Syed Street, Bombay 3.
422	,, Mangaldas B. Mehta ..	Messrs. Amarchand & Mangaldas	36, Tamarind Lane, Fort, Bombay.
423	,, V. G. Motwani ..	Eastern Electric & Engineering Co. ..	175, Hornby Road, Fort, Bombay.
424	,, Dwarkadas Haridas ..	The Bombay Hosiery Merchants' Association.	Chukla Street, Bombay.
425	,, Devji Tokersey Moolji ..	Mr. Devji Tokersey Moolji ..	Bhat Bazar, Mandvi, Bombay.
426	,, Valabhdas Tejpal ..	,, Valabhdas Tejpal	219, Vadgadi, Bombay.
427	,, Fakirjee Cowasjee ..	Messrs. Cowasjee & Sons ..	Kimari, Karachi.
428	,, Choonilal Girdharlal ..	,, Choonilal Girdharlal & Co .	24, Churchgate St., Fort, Bombay.
429	,, Ratilal Mulji Gandhy ..	The Seeds Traders' Association ..	Gaya Building, Musjid Bunder Road, Bombay.
430	Sir Chunilal V. Mehta,	Sir Chunilal V. Mehta, ..	Navsari Chambers, Outram Road, Fort, Bombay.

No.	Representative	Member.	Address.
431	Mr. Amritlal Popatbhai ..	Messrs. Amritlal Popatbhai & Co.	Agakhan Building, Dalal Street, Fort, Bombay.
432	,, Lalbhai Manilal Lalubhai Teli.	Mr. Lalbhai Manilal Lalubhai Teli	C/o The Indian Cotton Oil Co., Navsari.
433	,, Goolamhusein Ebrahim	Messrs. Abdoolally Ebrahim ..	121, Nagdevi St., Bombay.
434	,, Pheroze H. Sidhwa ..	,, Bharat Flooring Tiles Co.	20, Apollo St., Fort, Bombay.
435	,, H. S. Mitha	Mr. Husein Suleman Mitha ..	Sugar Market, Bombay 3.
436	,, Ranchhoddas Jethabhai.	Messrs. Ranchhoddas Jayram & Sons.	Dongri Street, Bhat Bazar, Bombay.
437	,, K. S. Ramchandra Iyer	The Indian Insurance Companies' Association.	Jehangir Wadia Bldg., Esplanade Road, Fort, Bombay.
438	,, Hiralal D. Nanavati ..	Mr. Hiralal D. Nanavati	80, Esplanade Road, Fort, Bombay.
439	,, D. H. Vakil	Messrs. Vakil & Co.	Kaiser-Gunj, Ajmer.
440	,, Morarji Padamsey ..	Mr. Morarji Padamsey	346, Hornby Road, Fort, Bombay.
441	,, Thakoredas Nanabhai Merchant	,, Thakoredas Nanabhai Merchant	Khakhar Bldg., C. P. Tank Road, Bombay.
442	,, Gopaldas Poonja ..	Messrs. Khimji Poonja & Co. ..	9-13, Humum Street, Fort, Bombay.
443	Sir Cowasji Jehangir (Jr.) ..	Sir Cowasji Jehangir (Jr.) ..	Readymoney Mansions, Churchgate Street, Fort, Bombay.
444	Mr. F. D. Dhondy	Messrs. Patel & Dhondy	Devkaran Mansion, Princess Street, Bombay.
445	,, Ramdas K. Hargovan..	Mr. Ramdas K. Hargovan ..	167-71, Cavel Street, Bombay.
446	,, Abdealli M. Kajiji ..	Mr. Abdealli M. Kajiji	"Dilkhush," Grant Road, Bombay.
447	,, Jetha Monsi	Messrs. Lalji Jetha & Co. ..	Duncan Road, Bombay, 4.
448	,, Dwarkadas Sunderdas ..	,, Sunderdas Dwarkadas & Co. ..	42, Humum Street, Fort, Bombay.
449	,, Maneklal B. Patel ..	,, Shri Krishna Film Co. ..	162, Dadar Road, Dadar, Bombay.
450	,, Amritlal D. Sheth ..	,, Saurashtra Ltd.	Ranpur (Kathiawar)..
451	,, Maneklal Premchand ..	Mr. Maneklal Premchand ..	63, Apollo Street, Fort, Bombay.
452	,, Dhansukhlal C. Mehta ..	Messrs. Mehta Vakil & Co. ..	Wadia Bldg. Dalal St., Fort, Bombay.
453	,, Abdultyeb E. Muskati	Mr. Abdultyeb E. Muskati ..	186-88, Nagdevi Street, Bombay.
454	,, Chimanlal Popatlal Shah	Messrs. Chimanlal Kaliandas & Co.	3, Tamarind Lane, Fort, Bombay.
455	,, Venkatnarayan Patruni	Mr. Venkatnarayan Patruni ..	366, Girgaum Road, Bombay.
456	,, Pitamber Mohanlal ..	Messrs. D. Mohanlal & Co. ..	Chuckla Street, Jackeria Masjid, Bombay.
457	,, Dostmahomed Munji ..	,, Munji Nathoobhoy & Co. ..	12-13, Dougall Road, Ballard Estate, Fort, Bombay.

No.	Representative	Member.	Address.
458	Mr. Rustomji Dorabji ..	Messrs Wellington & Co.	Hornby Road, Fort, Bombay.
459	,, Nathalal Lalji	The Bombay Aerated Water-Requisites Merchants' Association.	Mansur Building, Princess Street, Bombay.
460	,, K. J. Divecha ..	Messrs. Wright & Co.	Mint & Frere Roads, Fort, Bombay.
461	,, Lalji Ravjee	,, Ravji Nensey & Co. ..	Chinch Bunder, Mandvi, Bombay.
462	,, Premji Devji	,, Devji Khetsey & Co.	New Chinch Bunder, Mandvi, Bombay.
463	,, Amritlal Kalidas ..	,, The Ahmedabad New Standard Mills Co., Ltd.	Railwaypura Post, Ahmedabad.
464	,, Mahomed Karim Khaledi	Mr. Mahomed Karim Khaledi ..	108, Meadows Street, Fort, Bombay.
465	,, Maturadas Kanji Mattani	The Bombay Rice Merchants' Association	Carnac Bunder, Bombay,
466	,, Shah Shamji Vallabhji..	Mr. Shah Shamji Vallabhji ..	Mulji Jetha Market, Sunder Chowk, Bombay.
467	,, J. A. D. Naoroji ..	Messrs The Tata Oil Mills Co. Ltd	Bombay House, Bruce Street, Fort, Bombay.
468	,, Usman Sobani	,, The Pralhad Mills, Ltd. ..	Gresham Bldg., Esplanade Road, Fort, Bombay.
469	,, Phiroze C. Cooper ..	Messrs. Boyce & Co.	20, Fort Street, Fort, Bombay.
470	Mr. Hargovindas B. Kotak	Messrs Kotak & Co	Navsari Building, Hornby Road, Fort, Bombay.
471	,, Jayantilal Devidas ..	The Bombay Iron Merchants' Association	Carnac Bunder, Bombay.
472	,, J. D. Kothawala ..	Messrs. Polson Mfg. Co.	239, Frere Road, Fort, Bombay.
473	,, Haji Oosman Poonawala	,, Haji Oosman & Co., ..	"Noor House" 9, Club Back Road, Bombay.
474	,, Dawar Husain Kazi ..	,, Dawar H. Kazi & Co. ..	Hornby Road, Fort, Bombay.

ROYAL ASIATIC SOCIETY OF THE BOMBAY BRANCH LIBRARY

Rules and Regulations of the Indian Merchants' Chamber.

(As amended upto 27th July 1929.)

Name.

1. The Association shall be styled "The Indian Merchants' Chamber."

Office.

2. The office of the Chamber will be situate in Bombay.

Objects.

3. The objects for which the Chamber is established are:—

(*a*) To encourage friendly feeling and unanimity among business community on all subjects connected with the common good of Indian merchants.

(*b*) To secure organised action on all subjects relating to the interests of the Indian business community directly and indirectly.

(*c*) To promote the objects of the Indian business community in matters of inland and foreign trade, shipping and transport, industry and manufacture, banking and insurance.

(*d*) To collect and disseminate statistical and other information securing the promotion of the objects of the Chamber, and to make efforts for the spread of commercial and economic knowledge.

(*e*) To take all steps which may be necessary for promoting, supporting or opposing legislation or other action affecting the aforesaid interests by the Government or any Department thereof or by any local body or bodies and in general to take the initiative to secure the welfare of the business community in all rsepects.

(*f*) To make representations to Local, Central or Imperial authorities, Executive or Legislative, on any matter affecting trade, commerce, manufacture or shipping, banking or insurance.

(*g*) To undertake by arbitration the settlement of commercial disputes between merchants and businessmen and also to provide for arbitration in respect of disputes arising in the course of trade, industry or transport, and to secure the

services of expert technical and other men to that end if necessary or desirable.

(*h*) To advance and promote commercial and teachnical education and to found and support establishments and institutions for such purposes.

(*i*) To undertake special enquiries and action for securing redress for legitimate grievances of any branch of trade or industry as also all such other action as may be conducive to the extension of trade, commerce or manufacture or incidental to the attainment of the above objects.

(*j*) To secure the interests and well-being of the Indian business communities abroad.

(*k*) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Chamber directly or indirectly.

Members. 4. There shall be three classes of members:— (1) Ordinary, (2) Patrons and (3) Honorary;

(1) There will be three classes of ordinary members:—

(*a*)—Residents of Bombay and its suburbs who will have to pay Rs. 75 as annual subscription; but Joint-stock Companies will have to pay Rs. 100 per year.

(*b*)—Mofussil members who will have to pay Rs. 25 as annual subscription.

(*c*)—Associations which will have to pay Rs. 125 as annual subscription.

Admission Fee: All the ordinary members and patrons will have to pay Rs. 100 as admission fee which will be credited to a capital fund of the Chamber and shall not be expended on revenue account except with the consent of the general body.

(2) Patrons:—Indian firms or individual Indian merchants can join as Patrons. Firms will have to pay Rs. 5,000 and individuals Rs. 2,500 as donation, the proceeds of which will be credited to a capital fund which shall not be expended on revenue account but the interest whereof shall be taken to revenue account.

(3) Honorary members:—Gentlemen distinguished for public services or eminent in commerce and manufactures or otherwise interested in the aims and objects of the Chamber may

be elected as Honorary members by a General Meeting of the Chamber by two-thirds of the majority of members present at the meeting on the recommendation of the Committee and as such shall be exempted from paying subscriptions. They shall not be entitled to vote at any meeting of the Chamber nor shall they be eligible to serve on the Committee.

Eligibility for membership of the Chamber.

5. Any Indian gentleman, firm or association engaged in mercantile pursuits or interested in trade and commerce desirous of joining the Chamber shall be eligible for membership.

Election of members.

6. (*a*) The applicant, whether an individual or a firm or an association, shall sign the admission form giving details of one's business and send it to the Secretary with signatures of the proposer and the seconder, who must be members of the Chamber. This application shall be submitted to the Committee who will fix the dates for the election by ballot, and appoint a scrutineer. At least seven days' notice shall be given to all the members, stating dates for voting and the names of candidates with their proposers and seconders. Votes shall be received during the said seven days from 11 a.m. to 4 p.m. (B. T.).

(*b*) On the seventh day the ballot-box shall be opened at 4 p. m. (B. T.), by a scrutineer and the Secretary who will jointly declare the result of the voting.

(*c*) At least one tenth of the members of the Chamber must register their votes to make the ballot valid.

(*d*) In all voting for election to membership the presence in the ballot-box of black balls in the proportion of one in six shall exclude.

Twelve negative votes shall be deemed to exclude.

Resignation.

7. A member wishing to resign shall give written notice to the Secretary not less than one calendar month before the completion of his annual period; otherwise he will be liable for the subscription for the next year.

Disqualifications of members.

8. A member shall be deemed to be disqualified if:

(*a*) he becomes an insolvent.

(*b*) he fails to discharge his subscription for a period extending over twelve months.

Privileges of members.

9. A member of the Chamber shall be entitled

(a) To obtain gratis publications of the Chamber,

(b) To the free use of the Chamber's library,

(c) To vote at all meetings of the Chamber or on any matter referred to the General body of members by circular,

(d) To be elected as an office-bearer of the Chamber.

Meetings of members.

10. There shall be held a general meeting of members, which shall be called the Annual Ordinary General Meeting within a month of the 31st December when the official year of the Chamber closes (provided that the Committee can extend the period upto a fortnight by a special resolution), to transact the following busniess:—

(a) —To receive the annual report of the retiring Committee and the audited statement of accounts of the Chamber.

(b) —To record the declaration of the result of election of office-bearers for the ensuing year.

(c) —To elect an auditor for the ensuing year.

(d) —To transact such other business of which notice may have been given by a member five clear days before the date fixed for the Ordinary General Meeting, and of which the Secretary will have given notice to the general body of members by post or otherwise two days before the date of the meeting.

There shall be held during the course of the year in addition to the Annual Ordinary General Meeting three other ordinary meetings when a resume of the work done during the previous quarter will be supplied to members.

A Special General meeting of members may also be called whenever the Committee think fit; and the Committee shall also call a Special General Meeting on the requisition in writing of at least 10 members of the Chamber stating the object of the meeting.

At least three days' clear notice shall be given to members specifying the day, place, hour and objects of the meeting even when the special General Meeting is convened by the Committee.

Ten days' clear notice of all other General Meetings, whether ordinary or special, shall be given to members specifying the day, place, hour and object of the meeting. Such General Meetings will also transact such other business of which notice has been given by a member five clear days before the date fixed for the meeting and

of which the Secretary has given notice either by post or otherwise to the general body of members two days before the date of the meeting.

Quorum.

11. 15 members shall be deemed a quorum for a General Meeting whether Ordinary or Special. No business can be transacted at any General Meeting, whether Ordinary or Special, if within 30 minutes of the hour specified for the meeting no quorum is formed. In that case the meeting shall stand adjourned to such date, hour and place as the members present at the meeting may fix.

Adjourned meeting.

12. An adjourned meeting can transact the business for which it is called without the necessary quorum.

Chairman.

13. The Chairman of the Committee shall preside at every General Meeting or the Vice-Chairman in his absence. In the case of the absence of the Chairman as well as the Vice-Chairman, the members present may vote one from among themselves to take Chair.

Voting at meeting.

14. Every resolution submitted to the meeting shall be decided by a show of hands. In the case of equality of votes the Chairman shall have a casting vote in addition to his own vote. Each member has the right to speak and vote on any subject which may be submitted for consideration at any General Meeting, provided that firm or association having more than one member shall have one vote only though its several members may be present at the meeting and take part therein.

Managing Committee.

15. At every Annual Ordinary General Meeting there shall be elected a Committee to carry out the objects of the Chamber, consisting of the Chairman, the Vice-Chairman, and 23 members.

Vacancy in the Committee.

16. The Committee shall fill up any vacancy of an ordinary member thereof occurring during the year.

Non-attendance of a member of the Committee without the previous permission of the Committee at meetings of the Committee for three months consecutively will be considered a disqualification for his membership of the Committee and his office shall be considered vacant for the purposes of this rule.

The Secretary will send a reminder to a member of this rule if he has absented himself for two months without the required permission.

17. Any vacancy during the year in the office of the Chairman or the Vice-Chairman created by resignation or by his going out of India for more than one month shall be filled up by election in accordance with rule No. 26.

Vacancy in the office of the Chairman or the Vice-Chairman.

If the Vice-Chairman goes on leave in India for more than one month, the Committee shall appoint a substitute during his absence form among its own members.

18. The Committee shall retire at the end of its term of office but shall continue in office till its successor is appointed.

Retirement of the Committee.

19. The Committee shall frame its own rules for the purpose of regulating its proceedings which may be amended or altered or revised as it may deem expedient.

Rules of the Committee

20. The Committee shall have the power to appoint a Secretary on such remuneration as it may deem proper and prescribe his duties and functions.

Secretary.

21. The Committee shall cause accounts of the Chamber to be kept and all receipts and funds shall be paid into such bank or banks as may be selected by it. Such accounts shall be regularly audited at the close of the year, and adopted at the Ordinary Annual General Meeting.

Accounts of the Chamber.

22. The Committee shall meet at least once a month to dispose of all communications and references and consider all matters which may be on the agenda.

Meeting of the Committee.

23. The Committee shall cause to be kept a book in which the minutes of the proceedings shall be regularly recorded.

Minute Book.

If a member of the Chamber wishes to see this minute book he can do so after giving at least 24 hours' notice to the Secretary of the Chamber.

24. After the commencement of a new official year, representatives of principal trades who are members of the Chamber shall be asked by the Committee to elect Sub-Committees of five members from amongst themselves. All questions relating to these trades coming before the Committee during the course of the year shall be first referred to such Sub-Committees whose suggestions shall then be placed before the Committee. Such Sub-Committees shall be formed only for those trades which have at least ten representatives as members of the Chamber. The work of electing Sub-Committees shall ordinarily be done by the representatives themselves, but they can have the assistance of the Secretary of the Chamber if they require it.

Sub-Committees.

The Committee shall at their discretion appoint a Sub-Committee from among their members to consider and report upon such special matters as they may deem expedient and they shall also have the power to invite at their meeting persons other than members of the Chamber and the Committee to consult them or take their advice on such matters as may be deemed necessary.

25. The Secretary shall state in the register of members of the Chamber names of gentlemen who may be representing, for the time being, any members of the Chamber whether associations firms or individuals. These names will also be given in the list of members submitted to members for the election of office-bearers and representatives of the Legislative Council and such other public bodies. The elected gentlemen will be considered to be personally elected as representing particular members, and on their place falling vacant through any reason a fresh election will be made according to the rules in force for the time being.

Register of members.

Any member of a firm or its representative, being on that account a member of the Chamber, on his severing the partnership or connection with the firm, will no longer be a member of the Chamber.

This rule will not affect Rule No. 14.

This register shall contain details regarding business of all members and shall also record the classified lists of members according to different trades.

Election of Committee.

26. A list of members of the Chamber together with a list showing the attendance of members of the Committee at their meetings during the year shall be circulated by the Secretary amongst all the members before the 15th of January. Within a week of the receipt thereof nominations for Presidentship, Vice-Presidentship, and membership of the Committee duly proposed and seconded and approved by the nominee, shall be sent to the Secretary. The Secretary shall prepare and publish a list of nominations received by him together with the names of their proposers and seconders. This list shall be called the voting paper. Voting papers shall be sent to the members of the Chamber seven clear days before the date fixed for the election. The President and the Vice-President shall be elected from among the nominations received for Presidentship and Vice-Presidentship respectively and 23 Members of the Committee shall be elected from among the nominations received for membership of the Committee. Votes recorded for a candidate for Presidentship will be **ipso facto** recorded for his election as a member of the Committee. President and Vice-President shall be ex-officio members of the Committee.

The voting shall be by means of voting papers received in the ballot-box on days fixed by the Committee marked with crosses against the names of members whom they wish to propose as office-bearers.

The voting by ballot will be carried on in the following manner:—Big and small printed envelopes addressed to the Secretary of the Chamber will be sent to members with voting papers. Members will enclose their voting papers in the small envelope and then enclose both this envelope and a letter duly signed stating that the voting paper is sent by them in the big envelope and send this to the Secretary who will open it placing the letter with the signature in one box and the small envelope containing the voting paper, which shall be unsigned, in the ballot-box.

The retiring Committee shall appoint two scrutineers who must be members of the Chamber, who with Secretary will open the ballot-box on the day following the ballot days and declare the result. Those who have obtained the highest number of votes shall be deemed to be duly elected. But in the event of refusal to serve on the part of any one or more of them, the member or members who has

or have obtained the next highest number of votes shall be considered to be elected in his or their place. The new Committee shall take office on the first day succeeding the holding of the Ordinary Annual General Meeting and they shall so continue to act until the holding of the next Ordinary Annual General Meeting. A member or members of the Chamber representing it in the Bombay Legislative Council, the Bombay Port Trust or the like public bodies will be ex-officio members of the Committee if they are not already members of the same.

(a) The new Committee shall co-opt, out of the general body of members, five Association members:

(b) The new Committee shall further co-opt three ordinary members, who in their opinion will prove useful to them for consultation.

Such co-opted members will be elected by the Committee at its first meeting by ballot from among the members proposed at the meeting by members of the Committee.

Equality of vote.

27. In the case of equality of votes recorded for the election of the Chairman or the Vice-Chairman or both, the Committee will invite a second ballot as to who shall be elected. In the case of equality of votes recorded for members of the Committee lots will be drawn and the election be declared in favour of the member who draws the lot.

Visitors.

28. Any person resident out of Bombay, engaged or interested in mercantile pursuits visiting Bombay may be introduced as a visitor by any member of the Chamber who has previously obtained permission of the Chairman or in his absence the Vice-Chairman, through the Secretary, provided that a residence beyond one month shall subject such visitors to the rules for the admission of members.

Funds of the Chamber.

29. All moneys or funds of the Chamber shall be primarily paid into the hands of the Secretary who shall pay the same into an account to be opened with any bank that may be approved by the Committee in the name of the Chamber. All cheques on that account shall be signed by the Chairman or in his absence by the Vice-Chairman for the time being and a member of the Committee. In the absence of both the Chairman and the Vice-Chairman cheques shall be signed

by two members of the Committee. All cheques shall be counter-signed by the Secretary.

Expulsion of members.

30. The Chamber reserves to itself the right of expelling any member in case he does any act or pursues any conduct that is either in contravention of the rules of the Chamber or detrimental to its credit or is in any way injurious to its welfare and interest or by any other good and sufficient reasons it is thought desirable to remove him from his membership of the Chamber. But action on that behalf shall only be taken on the resolution of a General Meetnig whereat four-fifths of members present have voted in favour of the proposal.

Alteration in Rules and Regulations.

31. The foregoing rules and regulations shall be copied in book to be kept with the records of the Chamber. Printed copies of the same shall be forwarded to all the members and no alteration or addition shall be made therein or thereto save and except by a majority of three-fourth of the members of the Chamber present at a General Meeting convened by a notice issued at least 7 clear days before the holding of such a meeting and in which all the terms of proposed alterations or additions shall have been clearly set forth.

RULES OF THE COURT OF ARBITRATION OF THE CHAMBER.

As it is desirable that there should be a tribunal for the speedy disposal of disputes and differences arising between merchants, the Indian Merchants' Chamber has adopted the following scheme:—

1. There shall be a court of Arbitration working under the supervision and guidance of the Chamber.

2. The Council of the Chamber shall prepare a list of not less than 60 persons who having consented to do so shall form the Court of Arbitration. Whenever called upon a member or members shall solely or jointly constitute a tribunal for the disposal of a case referred to him or them.

3. There shall be a committee of five members elected by the Court from among themselves who shall regulate the appointment of arbitrators by the parties for the tribunal, preparing and revising

rules of procedure and preparing tables of fees to be charged and paid.

4. This Committee shall be a permanent body, but so that two members thereof shall retire every year and whose places shall be filled up by the Court. The retiring members shall be eligible for re-election.

5. In electing members of the Court the Council of the Chamber shall have regard to the recommendation of the Chambers of Commerce and Trade Associations affiliated to this Chamber.

6. The Secretary of the Chamber shall be the Registrar of the Court. It shall be his duty to act as Secretary of the Court, its Committee and its tribunal and keep records and do all the executive work of the Court.

7. The rules of the Indian Arbitration Act of 1899, and Schedule 2 of the Civil Procedure Code of 1908 (Arbitration) will apply to the arbitrations under these rules except as modified by them.

8. The disputants who wish to take advantage of this scheme shall execute a reference paper in the form prepared by the Committee of the Court and file the same with the Registrar.

9. The Registrar will place reference papers before the Committee of the Court. Parties should nominate arbitrators and in case of their failure to do so within a week from the day of filing reference the Committee of the Court shall appoint two arbitrators, and direct to procure their consent to act in the tribunal. This having been obtained and the tribunal constituted the Registrar shall fix a day for the trial and give notice thereof to the parties.

10. On the day fixed for trial and before they commence it, the Arbitrators, if they are more than one, between themselves fix upon an Umpire who should take up the arbitration in case of the difference of opinion between the arbitrators. This name shall not be disclosed but shall be written on a paper, put in an envelope and sealed. The envelope shall be handed over to the Registrar who will open it only in case of difference of opinion and thereupon immediately request the Umpire to take up the matter.

11. The arbitrators may take oral or documentary evidence, hear parties or their agents, may take expert advice and do every thing in the matter to come to a right decision of the case.

12. Within one month from the filing of the reference, or such further time as they may extend, the arbitrators shall prepare a written award, sign the same in the presence of the Registrar and hand over the same to him.

13. The arbitrators in their decision may by writing extend the time to make their award but in no case it will be later than three months from the date of reference. If they fail to make the award within the time prescribed, the Registrar shall forthwith request the Umpire to take up the matter.

14. The Umpire shall make his award within a fortnight from the day he takes it up provided he extends the time to do so by writing, but such shall not exceed two months from the day on which he has taken up the matter. If he fails to give his award during that time the arbitration shall lapse and the parties may put in a fresh reference.

15. The parties to an arbitration shall pay to the Registrar such fees as may from time to time be fixed by the Committee of the Court.

16. The arbitrators of a tribunal or an Umpire are entitled to such fee or fees for their services as may be fixed by the Committee of the Court.

RULES PREPARED BY THE COMMITTEE OF THE COURT FOR CARRYING ON THE WORK OF THE ARBITRATION COURT.

The provisions of Act IX of 1899 (Arbitration), will apply to all the arbitration made to this Court under its rules.

2. Under these rules the word "The Court" means the Court appointed by the Committee to the Arbitration Court.

3. The disputants shall prepare a submission paper in the form (1) of the Indian Arbitration Act, copies whereof will be supplied by the Registrar on payment of one anna.

4. The submission paper shall state:

(*a*) The name of disputants made over in several numbers and arranged as far as practicable as Plaintiffs and Defendants.

(*b*) Each party shall mention in short the facts of his case.

(c) Specify the name of the sole Arbitrator or two Arbitrators as the case may be to whom the submission would be made.

(d) Specify whether the Arbitrator or Arbitrators have consented to take up the arbitration.

(e) A statement showing that the party shall abide by the award made by the Arbitrator or Arbitrators or the Umpire unless it is bad in the Law.

(f) Specify that they have paid Rs. 20 to the Registrar at the time of the submission paper or in case of more arbitrators than one, Rs. 20 for each arbitrator named.

(g) The disputants who are not members of the Chamber shall pay double the fees mentioned in Schedule.

5. On receipt of the reference paper the Registrar shall fix a day for the hearing of the case and give notice to the Arbitrators and the parties. In case any of the Arbitrators refuses to act, the Committee shall be called upon to nominate an Arbitrator in his place who after signifying his consent will at once take up the matter.

6. The Registrar shall issue notices to the parties to appear before the Arbitration Court with the papers proving their case and the witnesses if any.

7. The Court before proceeding with the case and if the Arbitrators are more than one shall write down the name of the Umpire in case of their disagreement, and place the paper in an envelope, seal it and hand it over to the Registrar. The name shall not be mentioned to any person until on the opening of the envelope, by the Registrar as hereinafter provided.

8. The Arbitrators shall hear the parties and their witnesses, consider the documents produced and thereafter adjourn to consider their award.

9. Within the time fixed by the Court Rule XII and within such extended time as may be fixed by the Court but in no case more than three months from the date of the submission, the Arbitrators shall sign their award in the presence of the Registrar who will attest the same and file it.

10. The Arbitrators shall in the arbitrations make provision for the costs and the proportion in which and by whom and to whom to be paid.

11. If the hearing lasts for more than one day of two hours at a time the arbitrators may fix upon the amount of the Court's costs to be paid per diem by the parties.

12. If the arbitrators do not agree as to the award the non-agreement shall be notified to the Registrar who will open the sealed envelope and will at once refer the matter of difference to the Umpire who will make his award within the time prescribed by Rule XIV of the Courts Rules.

13. When the award is made by the Umpire the same shall be signed by him in the presence of the Registrar who will attest it and file it.

14. The Registrar shall within four days from the filing of the award give notice to hte parties and, when applied for, give a copy of the same to him or them.

15. The fees fixed in the Schedule annexed hereto shall be charged under these rules.

Schedule.

(1) Fee to be tendered with the reference paper Rs. 20 for each Arbitrator named in the Reference paper and a fee of Rs. 30 shall be tendered for the Umpire in case the matter is referred to the Umpire provided that Rs. 5 shall be deducted from all such fees as fees due to the Chamber.

(2) The parties before they enter upon hearing shall deposit Rs. 50 for making and stamping the award which will be accounted for at the time of filing the award.

(3) The party applying for copy of the award shall pay full stamps required to be paid under the Stamp Act and the copying charges.

RULES FOR THE ELECTION OF PORT TRUSTEES BY THE CHAMBER.

(Adopted at the Extra-ordinary General Meeting of the Chamber held on Wednesday, the 28th February 1923.)

1. The Electoral Roll of the Chamber shall be prepared by the Secretary and circulated among the members of the Chamber at least 12 clear days before the date of the election

giving particulars regarding the respective trade of each member provided that the name of each member shall be entered under any one of the following trade-sections as he may select, viz., (1) Cotton (2) Piecegoods (3) Grain and Seeds (4) General. No member, after once selecting a particular section, shall be allowed to get his name transferred to another section except for special reasons, and the Committee shall decide as to the validity of such reasons. Protests, if any, against the allocation of a member to a particular trade will be examined by a Sub-Committee consisting of two members appointed by the Committee and the Secretary, (whose decision shall be final) on any such date as may be fixed by them. Changes regarding other items in the Electoral Roll shall be notified to the Secretary, within three days of the issue of such a roll which shall be amended accordingly. No vote by proxy shall be allowed.

2. Candidates of the election as Port Trustees, as well as voters should be members of the Chamber or duty nominated representatives of the members of the Chamber, with their names registered as such in the Register of Members of the Chamber and the Electoral Roll provided that candidates must always be Indians.

3. The Committee of the Chamber shall, as and when necessary, invite applications from members for election as Trustees of Port of Bombay and shall fix the date on which the election shall be held provided that there shall be the following allocation of seats to different trade interests:—

Trades	Seats.
Cotton	1
Piecegoods	1
Grain and Seeds	1
General	2

There may be any number of candidates from each of these sections but only the number allotted to each shall be elected.

4. Any member desirous of standing as a candidate for the election shall signify in writing such his desire to the Secretary seven clear days before the date fixed for the election,

and send his nomination signed by his proposer and seconder who must be members of the Chamber stating what particular section he represents provided that he shall be allowed to stand on behalf of that particular section which has been specified against his name in the Electoral Roll under rule No. 1.

5. If the number of candidates for election for different sections shall be the same as the number of vacancies the candidates shall be deemed to be duly elected.

6. If the number of candidates for election for different sections shall exceed the number of vacancies the Secretary shall send the names of such candidates to each member of the Chamber three clear days before the date fixed for the election, giving particulars regarding the trade which each candidate represents.

7. The Committee of the Chamber shall appoint two scrutineers for the scrutiny of voting papers at least 7 clear days before the date of the election.

8. On the day of the election the ballot-box will remain open from 10 a.m. to 6 p.m. (S. T.) in the office of the Chamber. Voting papers will be supplied to members of the Chamber in the office of the Chamber and members will fill these up and place them in the ballot-box. The counterfoils of these voting papers shall be first signed by members which shall be retained by the Secretary. The ballot-box will be in charge of the Secretary or an officer of the Chamber appointed by him. Scrutineers will seal the ballot-box at 6 p.m. (S. T.), on the day of the election and after scrutinising the voting paper shall on the day following along with the Secretary declare the result. No duplicate voting paper will be issued unless the original is returned. Candidates and their agents shall not be allowed in the room in which the ballot-box is placed excepting for the purpose of registering their own votes.

9. The candidates or, where there is more than one Trustees to be elected for the different sections, the candidates not exceeding the number of Trustees to be elected who has or have the largest number of votes shall be declared duly elected.

10. In the event of an equality of votes preventing the due election of any of the candidates the members shall vote afresh in the manner above laid down in respect of the candidates havnig an equal number of votes.
11. In the event of a casual vacancy or temporary absence of a Trustee the same course shall be followed in the appointment of a substitute.
12. *If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him atleast 48 hours before the day of Election.
13. *In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929.)

RULES FOR THE ELECTION BY THE CHAMBER OF A REPRESENTATIVE ON THE BOMBAY MUNICIPAL CORPORATION.

(Adopted at the third Quarterly General Meeting of the Chamber held on 11th November 1922.)

(1) Candidates for the election as a corporator of the Bombay Municipality, as well as voter, therefor, should be members of the Chamber or representatives deputed by member-firms or member associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.
(2) Those members who wish to become candidates in conformity with Rule I should send their names to the office of the Chamber twelve clear days before the date fixed for the election together with the names of proposers and seconders.
(3) The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

(4) The Secretary of the Chamber shall circulate the names of candidates at least seven clear days before the date fixed for election.

(5) The Committee shall fix a day (notice thereof shall be given to all the members of the Chamber) on which the ballot-box will be kept open from 10 a.m. to 6 p.m. (S. T.). Voting papers will be provided to the members in the office of the Chamber and the members will be required to place them, duly filled in the ballot-box. The slips containing the signature of the members, voting will be placed in another box. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. At 6 p.m. (S.T.) on the date of the election the Scrutineers shall seal the ballot-box and on the next day after scrutinising the voting papers declare the result of the election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purposes of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

(6) The candidate who gets the highest number of votes, shall be declared duly elected.

(7) In the event of two or more candidates getting an equal number of votes the election shall be held afresh in the manner above laid down in respect of candidates getting an equal number of votes.

(8) In the case of there being only one candidate, he shall be declared to be duly elected.

(9) In the case of a casual vacancy necessitating the election of a substitute the election shall be made in the manner above laid down.

*(10) If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him atleast 48 hours before the day of Election.

*(11) In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to

the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.
(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929.)

Rules for the Election by the Chamber of a Representative on the Improvement Committee.

(Adopted at the Special General Meeting of the Chamber held on 27th March 1926).

1. Candidates for the election as a member of the Bombay Improvement Committee, as well as voters therefor, should be members of the Chamber or representatives deputed by member-firms or member associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.

Changes, if any, in names of representatives should be reported to the Secretary at least one week before the date of the election.

2. Those members who wish to become candidates in conformity with Rule I above should send their names to the office of the Chamber five clear days before the date fixed for the election together with the names of proposers and seconders.

3. The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

4. The Secretary of the Chamber shall circulate the names of candidates at least three clear days before the date fixed for the election.

5. The Committee shall fix a day (notice whereof shall be given to all the members of the Chamber) on which the Ballot-box will be kept open from 10 a.m. to 6 p.m. (S. T.). Voting papers will be provided to the members in the office of the Chamber after getting their signatures on the counterfoil. These voting papers will be duly filled in by the members in the ballot-box room and placed in the ballot-box.* The ballot-box will remain in charge of the Secretary or other officers of the Chamber appointed by him. At 6 p.m. (S.T.) on the date of the election the Scrutineers shall seal the ballot-box

and on the next day after scrutinising the voting papers declare the result of that election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purpose of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

6. The candidate who gets the highest number of votes shall be declared duly elected.

7. In case any two or more candidates shall obtain an equal number of votes, the Chairman or, in his absence, the Vice-Chairman shall have a casting vote.

8. In the case of there being only one candidate he shall be declared to be duly elected.

9. In the case of a casual vacancy necessitating the election of a substitute the election for such period of vacancy shall be made by the Committee by ballot.

10 *If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

11 *In case of difference of opinion or a dispute beween the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929.)

Rules for the Election of a Representative of the Indian Merchants' Chamber to the Senate of the Bombay University under Act IV of 1928. (Adopted at the Extraordinary General Meeting of the Chamber held on 12th February 1929.)

1. The list of Members of the Chamber in force one week before the election date shall be considered as the Electoral Roll, copies of which can be had from the Office of the Chamber on payment of Rupee One each. If any changes are required to be made in the

name of representatives, etc., in the Roll, information in writing must be given to the Secretary by members one week before the date of election. No intimation received after the due date will be recognised.

2. Candidates for election should be members of the Chamber, or representatives deputed by members provided they are always Indians.

3. Any member desiring to stand as a candidate should send his name to the Office of the Chamber ten days before the date fixed for election together with the names of a proposer and a seconder, whose names appear on the Electoral Roll.

Any nomination paper which is not in confirmity with these Rules shall be deemed invalid and rejected as such.

4. The Committee of the Chamber shall elect two Scrutineers at least 5 days before the date fixed for election.

5. If there is not more than one candidate for election, the candidate duly nominated shall be declared to be duly elected. If, however, there are more candidates than one, the Secretary shall send the names of all candidates to each member of the Chamber seven days before the date fixed for election.

6. The Committee shall fix a day (notice whereof shall be given to all members of the Chamber) on which the ballot-box will be kept open from 10 a.m. (S.T.) to 6 p.m. (S.T.) Voting papers will be provided to members in the office of the Chamber and members will be required to place them duly filled in the ballot-box. Counterfoils of the voting papers, which should be placed in another box, should be first signed by the voters. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. The Scrutineers will seal the ballot-box at 6 p.m. (S.T.) on the day of election, and shall on the next working day, after scrutinising the voting papers, with the Secretary, forthwith declare the result. No Duplicate voting paper will be issued unless the original is returned.

7. Candidates or their agents shall not be allowed in the room in which the ballot-box is placed, except for the purpose of registering their own votes, and not more than one voter at a time shall be allowed in the room.

8. A candidate getting the highest number of votes shall be declared duly elected. In the event of two or more candidates getting

the highest number of equal votes, the election shall be held afresh in the manner above laid down in respect of only those candidates who get highest number of equal votes, within five days of the declaration of the result.

If of the candidates who have secured an equal number of votes all but one withdraw from the contest and intimate in writing such withdrawal to the Secretary not less than two clear days before such a fresh election, the remaining candidate will be declared to be duly elected.

9. *If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

10. *In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929.)

CHAIRMEN OF THE INDIAN MERCHANTS' CHAMBER.

1907 to 1913 The Hon. Sir Manmohandas Ramji.
1913—14 Sir Purshotamdas Thakurdas, C.I.E., M.B.E., M.L.A.
1914—15 Sir Fazulbhoy Currimbhoy, C.B.E.
1915—16 The Hon. Sir Dinshaw Edulji Wacha.
1916—17 Sir Lallubhai Samaldas, C.I.E.
1917—18 Late Sir Vithaldas D. Thakersey.
1918—19 Sir Chunilal V. Mehta, K.C.S.I.
1919—20 Mr. Jehangir Bomanji Petit.
1920—21 Mr. Lalji Naranji, M.L.C.
1922 Sir Purshotamdas Thakurdas, C.I.E., M.B.E., M.L.A.
1923 Sir Fazulbhoy Currimbhoy, C.B.E. (From 24-2-23 to 3-9-23.)
Mr. Devidas Madhowji Thakersey (From 4-9-23 to 25-1-24)
1924 The Hon. Sir Manmohandas Ramji.
1925 The Hon. Sir Phiroze C. Sethna, O.B.E.
1926 Mr. Lalji Naranji, M.L.C.
1927 Mr. Walchand Hirachand, C.I.E., J.P.

1928 Sir Shapurji B. Billimoria, Kt., M.B.E., from 31-1-28 to 20-3-28.
Mr. H. P. Mody from 30-3-28 to 17-7-28 and
Mr. L. R. Tairsee from 28-7-28.
1929 Mr. L. R. Tairsee.
Secretary:—Mr. J. K. Mehta, M.A.
Assistant Secretary:—Mr. A. C. Ramalingam.

CHAMBER'S REPRESENTATIVES ON PUBLIC BODIES.

Representative on the Indian Legislative Assembly—

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., M.L.A.

Representative on the Bombay Legislative Council—

Mr. Lalji Naranji, M.L.C.

Representatives on the Board of Trustees of the Bombay Port Trust.

1. Sir Purshotamdas Thakurdas, C.I.E., M.B.E., M.L.A. (Cotton.)
2. Mr. Devidas Madhowji Thakersey, (Piecegoods.)
3. Mr. Velji Lakhamsee Nappoo (Grain and Seeds.)
4. Mr. Lalji Naranji, M.L.C., (General.)
5. Mr. Laxmidas Rawji Tairsee, (General).

Representative on the Bombay Municipal Corporation:—

Mr. Vithaldas Kanji.

Representative on the Improvement Committee.

Mr. Manu Subedar.

Representative on the Advisory Committees of the Bombay Development Department:—

Mr. Manu Subedar.

On the Backbay Layout Committee:—

Mr. Walchand Hirachand, C.I.E., J.P.

Representative on the Indian Central Cotton Committee:—

Sir Purshotamdas Thakurdas, Kt., M.L.A.

Representative on the Advisory Committee of the Royal Institute of Science in Bombay.

Mr. Kapilram H. Vakil.

Representatives on the Local Advisory Committees of Railways.

G. I. P. Railway:—

The Hon. Sir Phiroze C. Sethna, O.B.E.

B. B. & C. I. Railway:—

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., M.L.A.

Representatives on the Panel of the Railway Rates Advisory Committee:—

1. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., M.L.A.
2. The Hon'ble Sir Manmohandas Ramji.
3. The Hon'ble Sir Phiroze C. Sethna, O.B.E.
4. Mr. Manu Subedar.
5. Mr. K. H. Vakil.

Representative on the Governing Body of the Indian Mercantile Marine Training Ship 'Dufferin':—

Mr. M. A. Master.

Representative on the Senate of the Bombay University:—

Mr. K. H. Vakil.

Representative on the Traffic Control Committee (Bombay.)

Mr. L. R. Tairsee.

MANAGING COMMITTEE FOR THE YEAR 1930.

President:

Mr. Hooseinbhoy A. Lalji, M. L. C.

Vice-President:

Mr. Behram N. Karanjia.

Members of the Committee:

1. Sir Purshotamdas, Kt., C.I.E., M.B.E., M.L.A.
2. Mr. Lalji Naranji, M.L.C.
3. Mr. L. R. Tairsee
4. Mr. S. N. Haji, M.L.A.
5. Prof. S. R. Davar, Bar-at-Law
6. Mr. Vithaldas D. Govindji
7. Hon'ble Sir Phiroze C. Sethna, Kt., O.B.E.
8. Mr. Walchand Hirachand, C.I.E.
9. Mr. Chunilal B. Mehta
10. Mr. H. P. Mody, M.L.A.
11. Mr. S. N. Pochkhanawalla
12. Prof. Khushal T. Shah
13. Mr. N. M. Muzumdar
14. Mr. Ishwardas Lakhmidas
15. Mr. Gordhandas Goculdas Morarji
16. Sir Shapurji B. Billimoria, Kt., M.B.E.
17. Mr. M. V. Merchant.
18. Mr. Dwarkadas Chhotalal Karsondas Mulji Vakil
19. Mr. Devidas Madhowji Thakersey
20. Hon'ble Mr. Ratansi Dharmasi Morarji
21. Mr. Ebrahim G. Currimbhoy
22. Sir Cowasji Jehangir (Jr.), K.C.I.E.
23. Mr. Jamnadas Harakhji Sanghvi.

CO-OPTED

1. Sir Ibrahim Rahimtulla, K.C.S.I.,C.I.E.
2. Sir Chunilal V. Mehta, K.C.S.I.,C.I.E.
3. Mr. Beniprasad Dalmia

ASSOCIATIONS

1. The Bombay Yarn Copper and Brass Native Merchants' Association (Mr. Sankalchand G. Shah).

2. The Maharashtra Chamber of Commerce.
(Mr. M. L. Dahanukar).
3. The Seeds Traders Association.
(Mr. Ratilal M. Gandhi).
4. The Bombay Iron Merchants' Association.
(Mr. Vanmalidas H. Pandya).
5. The Indian Insurance Companies' Association.
(Mr. K. S. Ramachandra Iyer.)

EX-OFFICIO

1. Mr. Vithaldas Kanji (Bombay Municipal Corporation.)
2. Mr. Manu Subedar (Bombay Improvements Committee.)
3. Mr. Velji Lakhamsi Napoo (Bombay Port Trust.)
4. Mr. Kapilram H. Vakil (Senate of the Bombay University.)
5. Mr. Mansukhlal A. Master, (Governing Body of the I.M.M. T. Ship S.S. 'Dufferin.')

List of Journals and Periodicals received in the Library of the Indian Merchants' Chamber.

BI-ANNUAL.

*1. The Indian Cadet. (Journal of the Indian Mercantile Marine Training Ship 'Dufferin'.)

QUARTERLY.

1. Empire Cotton Growing Review.
2. British Exporters' Register.
*3. Hibberts Journal.
*4. Vishva Bharati.
5. Swedish Economic Review.
6. Journal of the Bengal National Chamber of Commerce.
7. Journal of the Aberdeen Chamber of Commerce.

MONTHLY.

*1. Nation's Business. (U.S.A.)
*2. Official Journal of the League of Nations.
3. Monthly Summary of the Proceedings of the League of Nations.

*4. Indian Textile Journal.
5. International Review of Agriculture.
6. International Concilliation.
7. Monthly Journal of the Liverpool Chamber of Commerce.
8. Monthly Journal of the Manchester Chamber of Commerce.
9. Monthly Journal of the Bradford Chamber of Commerce.
10. Monthly Journal of the Nottingham Chamber of Commerce.
11. Northamptonshire Journal of Commerce.
12. Monthly Report on Current Economic Conditions in Japan: issued by the Tokyo Chamber of Commerce.

*13. National Geographic Magazine.
14. Indian Insurance.
15. Commercial India.
16. Mercantile Guardian.
*17. International Labour Review.
*18. Indian Labour Review.
19. Bombay Labour Gazette.
20. Engineering Progress.
21. British Industries.
22. Monthly Seaborne Trade Returns of British India.
23. Monthly Statistics of Cotton Spinning and Weaving in Indian Mills.
24. Statistics of Import and Export Trade in Cotton Yarn and Piecegoods of British India (Issued by the Bombay Millowners' Association).
25. Statistics of Import and Export Trade in Cotton Yarn and Piecegoods of the Bombay Presidency excluding Sindh: (Issued by the Bombay Millowners' Association).
*26. Modern Review.
*27. Asia.
28. Indian Hume Pipe News.
29. Indian Constructional Contractor.
*30. Young Messenger of India.
31. Volunteer.
32. American Exporter.
33. German Exporter.
34. Export and Import Review, Berlin.
35. Bendien's International Review.

36. Belgium Abroad.
*37. Bulletin of the International Management Institute.
38. Monthly Summary of the Foreign Commerce of the United States.
39. East and West Trade Developer.
40. Swedish Export.
41. Indian Concrete Journal.

BI-MONTHLY.

1. Yokohama Trade Review.
2. Agricultural Journal of India.

WEEKLY.

*1. Economist.
*2. Statist.
*3. Indian Finance.
*4. London Times, Trade and Engineering Supplement.
*5. Manchester Guardian Commercial.
6. Board of Trade Journal.
7. Indian Trade Journal.
8. Commerce Reports (U.S.A.)
*9. Capital.
10. Calcutta Commercial Gazette.
*11. Industrial and Labour Information.
12. London Chamber of Commerce Journal.
*13. Property Market.
*14. Nation (U.S.A.).
15. New India.
*16. Young India.
*17. Bombay Market Reports.
18. Bombay Government Gazette.
*19. Gazette of India.

OCCASIONAL.

1. Legislative Assembly Debates.
2. Council of State Debates.

3. Bombay Legislative Council Debates.
4. Bengal Legislative Council Debates.
5. Burma Legislative Council Debates.
6. Central Provinces Legislative Council Debates.
7. The Punjab Legislative Council Debates.

GUJARATI PERIODICALS.

1. Sahitya.
2. Buddhi Prakash.
3. Jnan Prachar.
4. Jnnan Vardhak.
5. Khetivadi Vignan.
6. Bhagyodaya.
7. Vaidya Kalpataru.
8. Digambar Jain.
*9. Navjeevan. (Weekly).
*10. Saurashtra. (Weekly).
*11. The Gujarati.
12. Gujarati Punch.

*These periodicals are subscribed by the Chamber.

The Indian Merchants' Chamber, Bombay.

22ND ANNUAL GENERAL MEETING.

The 22nd Annual General Meeting of the Indian Merchants' Chamber was held on Saturday the 25th January 1930 at 3 p.m. (S. T.), at the office of the Chamber, Mr. L. R. Tairsee presiding, to transact the following business:—

(1) To receive the Annual Report and statement of accounts of the Chamber for the year 1929.

(2) To declare the result of the General Election of the Chamber's Office-Bearers for 1930.

(3) To appoint Auditors for the year 1930.

(4) To consider the following resolution given notice of by Prof. K. T. Shah.:—

"Resolved that the Committee of the Chamber be requested to publish a brief summary of its weekly proceedings regularly every week for the information of the members of the Chamber, and of the public at large, in the daily papers of the city."

The following members were present:—

Mr. L. R. Tairsee (President).
Mr. Husseinbhoy A. Lalji, (Vice President).
Mr. B. N. Karanjia.
Mr. M. A. Master.
Prof. K. T. Shah.
Mr. Manu Subedar.
Mr. Jamnadas Devidas.
Mr. Preheladji D. Bhatt.
Mr. Tulsidas Khimji.
Mr. M. L. Dahanukar
Mr. D. M. Madon.
Mr. Ramjanalli Ibrahim.
Mr. Gokuldas Jivraj.
Mr. Mulji Lacmidas.
Mr. Sarabhai Prataprai.

Mr. Keshavji Ramji Laxmidas.
Mr. Sankalchand G. Shah.
Mr. Gordhandas G. Morarji.
Mr. G. K. Dalal.
Mr. Harikishandas Mehra.
Mr. Dhirajlal C. Modi.
Mr. K. C. Dinshaw.
Mr. C. B. Mehta.
Mr. Vithaldas D. Govindji.
Mr. D. C. Vakil.
Mr. R. M. Gandhi.
Prof. S. R. Davar.
Mr. Vithaldas Kanji.
Mr. Lalji Naranji.
Hon. Mr. R. D. Morarji.
Mr. Hirachand V. Desai.
Mr. P. D. Chowna.
Mr. R. M. Bhat.
Mr. Gopalji Ratanshi.
Mr. B. J. Modi.
Mr. K. S. Ramchandra Iyer.
Mr. Mathuradas C. Matani.
Mr. Shamji Vallabhji.
Mr. Gordhandas Mathradas.
Mr. Purshotam Lalji Tricumji.
Mr. M. G. Mehta.
Mr. A. E. Muskati.
Mr. N. T. Master
Mr. S. J. Pandya.
Mr. Madhavlal Makanji.
Mr. Alimohmad R. Macklai.
Mr. Jetha Monsi.
Mr. Damodar Haridas.
Mr. Bhagvandas Vasanji.
Mr. Firoze C. Cooper.
Mr. Morarji Hemraj.
Mr. Jamnadas H. Sanghvi.
Mr. N. M. Mazumdar.
Mr. Vallabhdas Ranchhoddas.

Mr. Nanji Ludha.
Mr. Lalji Raoji.
Mr. Hiralal D. Nanavati.
Mr. Mathradas Haribhai.
Mr. Ramdas Raghavji.
Mr. A. D. Shroff.
Mr. R. D. Lam.
Mr. Ramdas K. Hargowan.
Mr. Vandravandas Valji.
Mr. Kalyanji Bhimji.
Mr. M. A. J. Noble.
Mr. D. Cowasji.
Mr. Ranchhoddas Vallabhdas Kanji.
Mr. N. R. Sanghvi.
Mr. Ishvardas Lukhmidas.
Mr. Hiralal M. Desai.
Mr. N. S. Guzder.
Sir Cowasji Jehangir (Jr.)
Mr. G. B. Trivedi.
Mr. Kanchanlal Varajdas.
Mr. D. S. Buhariwalla.
Mr. G. H. Lohana.
Mr. Bhalchandra Balvant.
Mr. J. K. Mehta, (Secretary), and
Mr. A. C. Ramalingam (Asst. Secretary).

SPEECH OF MR. L. R. TAIRSEE, THE OUTGOING PRESIDENT.

In placing the Report of the work done by the Managing Committee before the meeting, Mr. Tairsee made the following speech:—

Gentlemen,

I have pleasure in placing before you the report for the year 1929, which has been already circulated. You will find from the report that there was quite a record number of Committee and Sub-Committee meetings held during the year. The number of Committee meetings, which were in previous years ranging between 50 and 55, rose this time to 70, and the number of Sub-Committee meetings was 128. I do not mention this to pat myself on my

back for the work which has been done but just to inform you how the work of the Chamber has been increasing year after year.

I am sorry that one of the great necessities of the Chamber has not yet been met, viz., its having a building of its own. I am sure that the new combination you have got in Mr. Hooseinbhoy as President, and Mr. Karanjia as Vice-President, will secure this long-felt want and provide the Chamber with a decent house of its own. There is also a great necessity for all the members and specially members of the Committee to co-operate in increasing the strength of the Chamber, and I hope that the new Committee will particularly devote their attention to this item.

COTTON TEXTILE INDUSTRY

I will now turn to the woes of our premier industry, I mean the cotton textile industry. It is not often that I find myself in a position to agree with the views of the "Times of India" but I do agree with the statement which appeared in the Leader on the 13th January, wherein it was stated: "A condition precedent to prosperity is security in the Home market." The Editor of the "Times" on this occasion was speaking of England, but the remark applies with equal, if not greater force, to India, and particularly to the textile industry. Unless the Indian market is secured to the indigenous industry, there is, I maintain, not the slightest possibility of its returning to its former prosperity.

The year 1929 has again been a disastrous one for the industry. As in 1928, a long strike has rendered the position of the Bombay Mills worse than ever. I should like to bring home to my friends of the commercial community of Bombay that it is time that we thought of some way of actively supporting the cause of the textile industry, on which the prosperity of the whole Presidency depends, and which has been making valiant efforts to maintain its position in spite of overwhelming foreign competition.

The position of Ahmedabad, equally with Bombay and every other centre of the cotton textile industry, is being rapidly and seriously undermined by the growth of imports of staple lines of piece-goods from Japan. In ten months of 1929, the imports from Japan

reached the figure of 435 million yards as against 308 million yards for the whole of 1928. The position has been dealt with in Mr. Hardy's report in so far as the danger of Japanese and Italian competition is concerned. The only fault I have to find with that report is that it underestimates the seriousness of the competition from the United Kingdom. On the whole, the report more than bears out the claims which have repeatedly been made by the Bombay Millowners for more effective Protection, and I look to the Finance Bill of 1930-31 to provide a measure of Protection which will effectively curtail the foreign imports for a number of years. In this connection, may I suggest formation of a Co-operative Association for purchase, production and sale purposes same as is now being considered in the United States of America. This will save middlemen's charges and leakage. The Indian cotton textile industry will have to be re-organised to put it in a competitive position with other countries, but re-organisation cannot take place unless the industry is in a position to sell its products at a profit. For the last 6 or 7 years, the consumer has been getting his product at or below the cost of production, and the slightly higher price he may have to pay if import duties are increased, should be willingly borne in the interests of the industrial prosperity of the country. When one considers that the shareholders of Bombay mills have lost more than Rs. 7 crores in the last three years in the form of share capital, and when one considers that during the same period, more than 25 per cent of Bombay mills have had to be reconstructed with or without first going into liquidation, even the Government of India must realise that the time for words of advice has past and the time for effective action is more than overdue. It should, I maintain, be one of the foremost aims of the Chamber at this crisis in the affairs of our most important industry, in which probably more than 50 per cent. of the population are directly or indirectly concerned, to insist that the demand made by the spokesmen of the Mill Industry should be granted, and granted without delay or any further argument, if Bombay and the Presidency are to be saved from irretrievable financial ruin.

If however the protection which we are expecting either does not come or comes not in the form and the extent necessary, then the duty of the Textile Industry is clear, viz., to take up Swadeshi pro-

paganda on an extensive scale. I am glad our friend and colleague, Mr. H. P. Mody, is again the President of the Millowners' Association, and benefitting by his experience of propaganda in other activities of public life—I have in mind his activities in the local Municipal Corporation—I trust he will not fail to carry it out strenuously. The idea of running a special Exhibition Train by the Millowners, I consider a step in the right direction and trust that henceforth popularisation of indigenous mill-made goods will be put on proper working basis. In this connection, may I repeat the suggestion I made at a previous General Meeting that the Mill Agents and its Directors should be the walking advertisements of their products and thus give eloquent evidence of their practical interest in the Industry. An ounce of fact is worth more than a ton of argument, Verbum sap. If this is done, I know there is sufficient self-denying spirit in the country to give the textile industry that protection which Government haltingly gives

Before I move to another subject I will like to refer to what, following various interviews the Millowners have had with the Hon'ble Members for Finance and Commerce and His Excellency the Viceroy, is in the air, and what is affecting the Stock Exchange better known by some as "rumour market." It is the rumoured that the Government of India, to use the significant Parsee Gujerati words "have given cold bath" (navaravi nakhya) that are responsible for prices for mill scrips having unjustifiably gone down.

It is understood that the Government of India desire to lay down certain conditions 'precedent' before rendering "first aid," and whilst I have no desire to minimise the importance of several measures necessary for the health and condition of the "patient," say as regards the relation of Capital and Labour, the system of Management, and desirability of co-operative buying and co-ordination of selling interests. Considering the condition of the patient and the stage of illness I plead for injection of serum FIRST and regulation of dietary 'afterwards'. If there is fear of the patient rebelling against after-treatment measures, a "consultation" may well be held as to what is good for him, but the time for all this and more is not now but after "injection". I trust and hope that any help to be rendered will be sooner and not later and let the words Too Late for once be not written on the intended measure and form of protection.

INDIAN MERCANTILE MARINE.

Friends, you know I am a confirmed pessimist who see the silver lining behind the sable cloud, who see light in darkness, and who believe that if winter comes, the snummer cannot be far behind, and therefore I refuse to believe that the Shipping Conference called by His Excellency the Viceroy has failed in its objective. The very fact that the Conference was called and held, is an indication enough that the principle enunciated by the Haji Bill and adopted by the Assembly is accepted.

Though the parties have not come to any settlement because of "fundamental differences," it does not mean that this is the end of all further pourparlers. As usual in the case of search for compromise, there is always the tendency to talk high on both sides and to take up positions as moves in the game of chess to checkmate the opponent.

Now that the Government knows how the game stands, as convenors of Conference, the responsibility is theirs to take further steps and to see that justice is done to India's rightful claim to the coastal trade. The fact that the foreign interest was willing to sell out at a price is an admission, I expect, Government will know at what discount to take. There were, I understand, welcome admissions to the effect that there must be restriction by Law on the total amount of coasting tonnage and that **paripassu** the Indian Shipping on the coast must increase and that British Shipping decrease. It is now the duty of Government either to put the parties on terms, failing which to proceed to protect Indian Shipping, and as a first and immediate step to insist on an atmosphere which admits of life to our nascent Shipping Industry, which has been and is being strangled by unfair foreign competition.

POLITICAL · SITUATION

Politics and economics, for better or for worse, are joined together and cannot be divorced. In fact they are organically related to one another like fingers to a hand or the heart and the lungs. To us businessmen, politics as they touch economics are of interest and that is my apology for referring to the present political situation.

You will, I take, agree with me that present times are out of joint and the heads of leaders of men are unscrewed from their shoulders and the screw-driver lost. On no other ground it is possible to explain the utterance of leaders of men in England and India on the Indian political situation. Phrases and slogans are let off, like rockets, and take variety of shapes and colors not at all suggested by their original form.

That being the situation wherein politicians on one side vie with one another in confusing and misunderstanding the situation, it is necessary to examine the genesis of the problem.

When the verbiage of words is removed, to my mind the problem of India vis-a-vis England is that of status in the Empire and is at bottom, the question of **color.** I can well appreciate the difficulty of England's position, as the color-sense of the Anglo-Saxon is one of her strongest senses, and when that sense is fortified by economic adverse interest—interest which England can only relinquish by committing intellectual harikari and moral self-immolation of which history records no instance, the problem becomes difficult. But for all that this is the sphinx question which she must answer or be eaten up.

I do not think it can be denied that our status in the Empire is that of chattels abroad and exiles at home. For all practical purposes we have no voice in the Government of the country, though it must be admitted that of recent years we have been allowed to enter into Government as **assistants** in the French sense of the word (Assistant means "onlooker," "bystander," "beholder," "spectator,") and as such have the same voice in the conduct of business as salesmen have in stores.

This, and the atmosphere of inferiority, in which we have to live as aliens in our own land with no rights except those given by the grace of a foreign government are some of the causes of what is known as Indian "discontent" by bureaucrats and as "legitimate discontent" by us.

To put it the other way, India is considered England's "magnificent dependency," "the brightest jewel in the English diadem," "possession," and hence "property," and these expressions are not mere metaphors but solid facts as every schoolboy knows. India "depends" on England in the sense that it is England that determines

her condition and her policy, in which Indians have no voice but look with blank indignation and despair upon a government which seems **un-English** and which treats India in the same way as a landlord treats his tenants, with all the evils of landlordism without a Rent Act to soften the asperities of the situation. Nor are Indians tenants at will but tenants by conquest—tenants in their own houses.

Thus stand the British in India; Government maintaining one attitude—**command** and unflinching execution of command, and the governed another, **obedience,** tempered by protests and pleadings but always obedience thus emphasising in action more eloquent than words that one is the ruler and the other ruled, and no wonder under such circumstances the feeling of Indians is that they are exiles at home and chattels abroad; bodily slaves, politically pariahs and economically, pawns of the Empire, and this knowledge Indians have learnt in tears of blood in South Africa and Kenya, by Reverse Council Bills, by unnatural 1sh. 6d. ratio, by protection of industries "discriminating" enough as not to protect.

Mrs. Penn Lewis says that "Calvary is the very pivot of the world's history. All prior things pointed forward to it, and all subsequent things point back to it. Even the future rests upon it." Adopting this thought we may well say that the status of Indians abroad and at home in the Empire is the pivot round which all the events of the history of the British in India turn. Herein they take their rise and hereto they return. This question calls for settlement, and in the light of this is to be read the history of political situation and the problems to be solved. This can explain why the cry of "Boycott," "Swadeshi," and "SWARAJ," was raised.

This cry was raised in 1905 in the days of the Partition of Bengal. Dadabhoy Naoroji raised the cry of "Swaraj" or Home Rule as it prevails in Canada and other self-governing Dominions from the Presidential Chair. It is difficult to say with whom the idea of boycott of British goods originated. Perhaps it is due to many-sided thoughts. The idea of protecting indigenous industries had long been before the country—it originated so far back as 1860 with Sarvajanik Kaka—and was popularised by Bal Gangadhar Tilak and it is but natural to suppose that a closer and deeper study of the political problem on the part of men who felt that entreaties,

appeals, prayers and petitions had no result led to the idea of boycott of British goods, that being the logical sequence of the cry for Swadeshi.

The Congress of 1906 held in Calcutta emphasising the position of impotency passed the resolution:

> "That having regard to the fact that the people of this country have little or no voice in its administration and that their representations to the Government do not receive due consideration, this Congress is of opinion that the Boycott movement in Bengal by **way of protest** against the partition of that Province was and is legitimate."

As years rolled by, a party arose in the country who thought that considering that the British Empire in India began in trade, and the fact that it lives **by** and **on** trade, sought to attack the Achilles heel of England and made the cry of boycott a live issue pleading that the status of India in the Empire calls for it, the status at home demands it and the economics of the country imposes upon us as our "dharma" It is "dharma" because it will help to protect indigenous industries, it is "dharma" because it will help to develop the soul of the nation and it is "dharma" raised to two on political grounds.

These cries, particularly boycott, held the field till the appearance of Mahatma Gandhi on the political arena. It was he who, as an apostle of love, scented hatred in the word "boycott," that he emphasised the **positive side** of it and started the "Khaddar" movement, which is but the extreme and extended form of Swadeshi, Khaddar meaning hand-spun and hand-woven cloth.

It was Mahatma Gandhi who found that there was not enough sap in politics, as then understood, that he started the non-co-operation cry and had it accepted by the Congress at Nagpur. With this began the boycott of Councils, Law Courts, Schools and Passive Resistance, better known as "Satyagraha." This held the field till the movement was "suspended" due to excesses at Chauri Chaura which destroyed the right atmosphere requisite for such a move, and when Mahatma Gandhi was "buried alive" by Sir George (now Baron) Lloyd at Yerowda, the movement lost its vitality. Applying the famous analogy that at the congregation meeting there were present

many Christians but few followers of Christ, it was found that whilst there were many non-co-operators there were few Gandhites, and it is the former who raised the controversy of Council Entry, and a Committee to consider the question of Civil Disobedience was appointed which opined that atmosphere was not favourable for direct mass action and that non-co-operation should be practised from **within,** and this led to the formation of the Swaraj Party.

Mahatma Gandhi who believed that as Councils were "temples of Maya" or as a cynic put it, "temples built on gutter", he was not reconciled to this position and took up the non-co-operation move where he had left it "suspended." He was fielding all the while till at Lahore with the help of good fieldsmen and Jewahirlal Nehru in the captainship he found it was time for him to bowl. It was a perfect pitch, and bowlers wicket, the ground being well rolled by Simon Commission, and Mahatma Gandhi having found the spot, clean, bowled most of the Councilteam, some having been caught at the "point" by sharp fielding of Pandit Motilal Nehru and others, clean stumped by Jewahirlal Nehru. That is the genesis of the Lahore resolution which reads:

> "This Congress whilst endorsing the action of the Working Committee in connection with the manifesto signed by the party leaders including Congressmen in connection with the Viceregal pronouncement of October 31, relating to Dominion Status and appreciating the efforts of H. E. the Viceroy towards the peaceful settlement of the national movement for Swaraj, and having considered the result of the meeting between the Viceroy and Pandit Motilal Nehru and other leaders, is of opinion:—

"That nothing is to be gained in the existing circumstances by the Congress being represented at the proposed Round Table Conference;

"And in pursuance of the resolution passed at the Calcutta Congress last year this Congress now declares that Swaraj in the Congress creed shall mean complete independence, and, therefore, further declares the Nehru scheme of Dominion Status to have lapsed, and hopes that all parties in the Congress will devote their exclusive attention to the attainment of complete independence, and hopes also that those whom the tentative solution

of the communal problem suggested in the Nehru constitution has prevented from joining the Congress or actuated them to abstain from it, will now join the Congress and zealously prosecute the common goal:—

"And as a preliminary step towards organising a campaign for independence, and in order to make Congress policy consistent with the change of the creed, declares a complete boycott of the Central and Provincial Legislatures and calls upon Congressmen to abstain from participating, directly or indirectly, in future elections, and the present members of the legislatures to tender their resignations, and calls upon the nation to concentrate its attention upon the Constructive programme of the Congress, and authorises the All-India Congress Committee, wherever it deems fit, to launch upon a programme of civil disobedience, including non-payment of taxes, whether in selected areas or otherwise, and under such safeguards as it may consider necessary."

The resolution opens with endorsing the action of the Working Committee in connection with the Manifesto signed by the party leaders, including Congressmen, in connection with the Viceregal pronouncement of 31st October 1929 relating to Dominion Status; but before the sentence is completed, the manifesto is torpedoed and the Nehru Report on Constitutional Reforms is thrown overboard.

If the Congress was out to destroy the Simon-Commission-made-All-Party-mentality, it could not have acted better than it did. It is a pity that the tendency for all political parties in the country to get nearer each other has thus been stifled, and what Simon Commission had "joined together, for better, has been put asunder for worse" by the Congress. The Congress may congratulate itself on this result, but the decision is "mad, it is true, and that it is true is pity and pity it is that it is true." Let us still hope, even against hope, that the realisation of this will dawn on the better and saner minds.

The resolution then proceeds to "appreciate the efforts of H. E. the Viceroy towards a peaceful settlement of the national movement for Swaraj", but on the result of the meeting between His Excellency and the leaders, it condemns his offer, stating "that nothing is to be gained **in the existing circumstances** by the Congress being represented at the proposed Round Table Conference". Appreciation in-

deed!—appreciation which damns with faint praise—and which forgets that though as the Viceroy, Lord Irwin is the representative of His Majesty the King-Emperor, as Governor-General-in-Council he is, to use commercial language, but a "MUNIM" of the British Cabinet; and whatever his own feelings and inclinations may be, he has to and must, carry out his instructions. It is admitted on all hands that his endeavours have been, both on his recent visit to England and here, to do, within his orbit, his best. It will be poor consolation to him to see his constitutional limitations forgotten and his work so little appreciated—nay, depreciated—just at a time when he is so much attacked in England and when there is talk of Conservative-Liberal coalition against accession of Labour to power.

Nor, in this connection, it should be forgotten that in offering, with the approval and sanction of the British Cabinet, the Round Table Conference, the Viceroy was meeting the "national demand" put forward by Pandit Motilal Nehru in the Legislative Assembly. Further to clear the atmosphere, the Viceroy, in the statement accompanying the offer, took an opportunity to say that the Declaration of 1917 was and is intended to mean that it is the policy and purpose of Britain to admit India to equal status with the self-governing Dominions, thus unreading the reading put on the said Declaration regime of Lord Reading. The Viceroy's statement says nothing—and well it could not—as to the **time and conditions** of India's admission to Dominion Status, the said questions being left over to be decided at the proposed Round Table Conference. Till the Simon Commission on Constitutional Reform has made its report, and is considered by the British Cabniet, is it practical politics to expect that the issues raised by the Congress resolution can be prejudiced, as if by anticipation? That would be tantamount to dissolving the Commission or acting over its head. Surely the British Cabinet cnanot put on the shelf the Commission in sessions with the same ease and comfort the Congress has jettisoned the Nehru Report.

If this is so clear—and it is clearer than the noon-day, one may well pause and ask how this did not strike the Congress? The nearest answer to the query, to my mind, appears to be that the Congress, because of its previous resolutions found itself in a quandary, and being particular of making show of keeping its word, was stampeded in this position. At the Calcutta Congress in December 1928 it had

resolved to declare Independence of the British connection as the goal, if Dominion Status were not conceded by 24.00 o'clock on December 31st, 1929. Mahatma Gandhi, Pandit Motilal Nehru and other prominent Congress leaders were content with Dominion Status, but it is others whose living and dying sentiment is "Independence **now** and Independence **for ever**" that got these leaders off their feet and heads and carried the day. Thus the Congress, true to the minute, has carried out its previous resolution stating that "in pursuance of the resolution passed at the Calcutta Congress last year (1928) this Congress now declares that Swaraj in the Congress creed shall mean complete independence..... and hopes that all parties in the Congress will devote their exclusive attention to the attainment of complete independence."

God said: "Let there be light; and there was light"; the Congress has said: "let there be independence, and there is independence". If Swaraj as Mahatma Gandhi has said is a mental condition, it is so already, and Independence has come. Do we not already find the two wings of the Congress standing completely "independent" of each other on the banks of the Ravi, like Pandavas and Kauravas of old at Kurukshetra?

This brings us to the question of Legislatures, viz., "to be or not to be"—the resolution of the Congress reading:

> "And as a preliminary step towards organising a campaign of independence, and in order to make Congress policy consistent with the change of creed, (Congress) declares a complete boycott of the Central and Provincial Legislatures and calls upon Congressmen to abstain from participating, directly or indirectly, in future elections and the present members of the Legislatures to tender their resignations."

This part of the resolution has divided the Congressmen **inter se**, and already there is a revolt against the said policy, many Congressmen including staunch "independencewallas" thinking that this is a false and fatal step, dividing the Congress, Congressmen and the country, and unless the differences are composed we will have "Jadavasthali."

We, the Chamber, have always stood for Councils' entry, as we believe that whatever their constitution and powers and limitations, they are not to be boycotted, and hence the question, "to be or not to be" does not arise with us. The President of the Legislative

Assembly, the Hon'ble Mr. V. J. Patel, unveiling the statue of late Lala Lajpatrai in Lahore, spoke of the Sarda Act as a historic achievement. The protection of industries—the most prominent case that will strike you is that of Iron and Steel—the most vital to us can come by Legislature, also taxation proceeds from the same source. The question of our textile industry is sure to come up next sessions, also various reports of the Tariff Board, and the important Coastal Traffic Reservation Bill of our friend "Admiral" Haji, and it is—unimaginable to us, businessmen, that we can boycott legislatures till they are functioning and from wherein legislation affecting our vital interests comes for consideration and adoption. We trust that the Congress will realise this point of view and raise the ban, let us hope, sooner than later, by its own will, than be forced to do so by the defectionist Congressmen who are already in open revolt, and also by the realities of the situation more powerful than any party. There is one excuse for every mistake a man can make but only one. When a fellow makes the same mistake twice, he has to own up to carelessness on cussedness. And what is true of men is true of Associations of men. The boycott of Legislatures was attempted without disunity by Congressmen before and it failed. Is it likely to succeed when the Congress is divided **inter se?**

The resolution lastly calls upon the nation "to concentrate its attention upon the constructive programme of the Congress, and authorises the All-India Congress Committee, whenever it deems fit to launch upon a programme of Civil Disobedience, including non-payment of taxes, whether in selected areas or otherwise as it may consider necessary". No Indian can object to the constructive programme of the Congress which consists in Khaddar propaganda, because it is Swadsehi first and Swadeshi last, but it is a question, as Mahatma Gandhi puts it, whether Swaraj is at the end of the hand-spun yarn (**Sutarne Tatne**—). (સુતરને તાંતણે—).

It is said that sting is in the tail, and it is the concluding portion of the resolution that, to our mind, is most objectionable **viz.,** the programme of "Satyagraha" or Civil Disobedience. It was tried before, and it ended as it can end in no other way, and had to be "suspended." It being so, one would very much have liked that it had been allowed to continue in state of suspension and was not attempted to be resurrected. It is a weapon which can hardly be used

in a world of human passions, in a world of inevitable psycological laws. Mahatma Gandhi's theoretical conditions precedent for practising it, are such as are unlikely to be fulfilled as long as human nature is human nature, and Mahatma cannot be too often rminded that the field in which he intends to practise it, is not a laboratory where experiments can be made as in a vacuum. The atmosphere in which he intends to practise it, is not a laboratory where experiments can be made as in a vacumm. The atmosphere which he considers requisite can never be formed; it exists only in his imagination, and such atmosphere as he finds can easily be disturbed and then there must be the halt, thus bringing Purna Swaraj to Purna viram. Mahatma Gandhi is a Vaishnav by birth and a Jain by persuasion, and as soon as there is trouble and blood, his better sense naturally recoils and there the experiment ends, leading nowhere except trouble and disturbances which cannot but recoil on the Country.

Further, Mahatma Gandhi has frankly admitted, that, at present, there is not the right "milieu" for Civli Disobedience; if so, that is just the reason for not adopting the resolution that the Lahore Congress did. Apart from this consideration it is a pity that he had this part of the resolution accepted, which has the effect of dividing the Congress **inter se,** and destroying the "All-Party-mentality", which is necessary if we are to ever offer united front. I hope even now it is not too late to appeal to him to reconsider the position and work for that unity, the importance of which he stressed so emphatically a few years back, and considered the solution of Hindu-Moslem problem as the first and essential requisite for Progress. To-day, the communal problem is worse than before, and yet the Nehru Report which tried to solve it partially has been jettisoned. I believe that till we have communal vote, the problem will get more and more entangled. Nationalism cannot be built on communal foundations, and before Swaraj comes in, the communal vote must go out. One is only possible **without** the other; never **with** it.

The Congrses resolution is based on and turns round the words **in the existing circumstances,** and as nothing is stable in life, can we not all join together to make the existing circumstances so change that there is greater unity amongst all political, spheres of thought, and when this is done, the probability of our succeeding would be greater. At present new parties are hatching with the rapidity of

prophets gourd, and I think it my duty to appeal to all Indians to unite. Unity must be our lever, and association amongst ourselves the fulcrum. A more and more intimate and extended association amongst ourselves is the means by which our strength will be multiplied, the field on which our duties must be accomplished, the way to realise progress in action. I again appeal to Peoples of India to unite. You have nothing to loose but political and economic chains.

May I now appeal to Mahatma Gandhi—for he is the Congress —to desist from pursuing the intended programme of Civil Disobedience till such time the promised Round Table Conference has met. We will be glad, if he, agreeable to our request, revises his decision and consents to attend the Conference; but if he cannot, why not give others sporting chance to obtain responsible Government for India, Government in which Indians are masters at Home. If he givse us the asked for opportunity and we do not obtain "Purna" Dominion Status in action, but are only offered Dominion Status which is another and camouflaged name for Dominion Status in "inaction", then we will be disillusioned and may all stand with Mahatmaji in the struggle to obtain it. But to expect us to join him at this time when there is an offer, and which we think it inadvisable to turn away, is to ask too much of us compared to too little we are asking of him, viz., to withhold his hand for the present. I trust this request and appeal of ours will tell on him.

At a time when illusion and disillusion concerning the nature and form of Dominion Status at the proposed Round Table Conference are more rampant than ever and when Mahatma Gandhi and Earl Russel agree that it is a long long way to Tipperary and when Mr. Wedgwood Benn says that "Dominion Status is already there in action, if you gentlemen will but see", I say that, under these circumstances, an explicit Declaration in plain, and not diplomatic, language, on behalf of the British Cabinet is called for. If made, it will have the effect of removing the crisis which culminated in convulsion on the banks of the Ravi at Lahore and the delerium of words which followed as to the meaning and interpretation of the offer of the Round Table Conference. Such a Declaration will also give Mahatma Gandhi an opportunity to revise his decision; in any case it will have the salutory effect of bringing all parties who are for Dominion Status but who are not agreed as to the ways and means of attaining it, it

not together, nearer each other. For this reason, I think such a Declaration is advisable; it can do no harm but, surely, will do good.

If, however, Mahatma Gandhi persists in putting through the proposed programme of Civil Disobedience, the duty of us all who believe in peaceful and ordered progress is clear. And this duty will not and cannot be performed by criticising Mahatma Gandhi and Congrses during spare moments or at a cup of tea in a club. What will have to be done is furnished by Mahatma Gandhi himself, who works full time and full speed as a dedicated spirit, and who puts in more work in a day than other "politicians" do in a week. For this we must have will, wish and desire and live and living party machine, more horse-power and acceleration, and this work must be taken up in the spirit of "not You, but I and We all" and then only we can meet the situation.

And for this, we, businessmen, ought to have the spirit of **"business as usual"**, and not be deterred by the Independence resolution—which should be read in one and one way only **viz.,** in Pickwickian sense. If foreigners do not know the situation and are frightened, I can understand that, but I cannot for life of me, understand the feat of nerves of those who are expected to know better how the land lies. Mr. Lloyd George asks Government of India not to underestimate the situation. May I ask them, and you all, not to overesteem it? Some of you have been frightened at the cry of Repudiation of Debts. The Congress in a previous year (1922) had passed a similiar resolution, and not a bird chirped. Why you should be frightened is more than I can understand, and the only way to meet such a cry is to pay no attention to it and to show by action more eloquent than words that you take it as a cry of lightweight imbeciles—the cry of those who have adopted the motto of Nietzsche: "Talk dangerously." We, businessmen, should, know "what is what" and discount it 110 per cent.

I have now finished my swan-song, but before I die—of course as President—in a few minutes from now, I cannot do so without paying my tribute to the energy and co-operation that has been extended to me by, I will not say, our Secretary, but my colleague, Mr. J. K. Mehta. I advisedly say "colleague" because he has been more than Secretary to me, and I am sure you know me well enough to believe that these are not formal words on formal occasion but that

they are sincerely meant. Our staff has also rendered to me full co-operation, particularly Mr. A. C. Ramalingam of whom I can say from practical experience that he makes a helpful Assistant Secretary. All of them have been sympathetic to my failings for which I am grateful.

You know that our Assistant Secretary, Mr. A. H. Maru has gone to England to extend his studies whilst at the same time he is acting as Secretary to the Indian Chamber of Commerce in London. I am very glad he has availed himself of this opportunity and I have no doubt when he returns to us, if at all, he will be more useful and helpful than before. It is a great pleasure to us to know that those who have worked with us have always been able to obtain higher positions in life and thus extend, as it were, the functions of our Chamber.

SPEECH OF MR. HUSSEINBHOY A. LALJI, THE IN-COMING PRESIDENT.

Gentlemen,

I am very much obliged to all of you for the confidence you have reposed in me by unanimously electing me as President of the Chamber for the ensuing year. I am deeply conscious of the honour you have done me, and I assure you that I shall do all I can to maintain the high tradition of this Office. I take this opportunity to express my sincere thanks for the willing assistance and ready co-operation that I have always received at your hands as Vice-President during the last two years. I am confident that I shall be able to receive the same assistance and co-operation from all of you to enable me to discharge the responsible task of the President.

Mr. Laxmidas Rowji Tairsee, my predecessor, has dealt with some of the topics that engaged the attention of the Committee during the past year and with the present political situation. How laboriously Mr. Tairsee has worked during the year is well-known to all of you and if any proof is required your Annual Report clearly shows the volume of useful work of a varied nature transacted by your Committee under his Presidentship.

Gentlemen, I propose to confine my speech to the discussion of questions that are likely to engage the attention of the Committee during the next year and that are agitating the public mind at pre-

sent. I shall, therefore, refer to questions affecting Industry, Trade and Commerce generally, and shall endeavour to indicate the direction in which their development may take place in future.

The most deplorable defect of the Indian economic system is the one-sided economic development of the country. Agriculture is the mainstay of nearly three-fourths of India's population, and efforts must be made to improve conditions under which it is carried on at present. But owing to various reasons improvements in this respect alone cannot solve our economic difficulties. Those who take a long view of the present situation will realise that the salvation of India lies in adopting a vigorous industrial policy along with the development of her Agricultural activities. The mentality of certain people cannot be understood when they talk of India's specialisation in Agriculture alone and leave manufactures to the foreigners. This sort of India's one-sided economic development is highly undesirable and is detrimental to her best national interests. Agriculture suffers from various natural and financial handicaps. The area of cultivable land is limited and cannot be extended indefinitely. Owing to vagaries of nature, floods, draughts and various diseases, resulting in frequent famines are common features of the agricultural economy of the country. With regard to financial difficulties of agriculture, I wish to point out that the Government of India has not provided Indian peasants with any financial help, nor even the Provincial Governments who have made the collection of land revenue their only duty. Their poverty—helpless and hopeless—has no parallel in the history of civilised world, and therefore, they are still working under the old rotten methods involving waste of energy and time. They have no funds with which they can afford to purchase better implements, tools and good manures. Besides, Indian Agriculturists are forced to sell their produce at ridiculously low prices for exports to foreign countries, simply because they have no funds to fall back upon till prices adjust themselves.

It was proved by Lord Curzon that the average income of an Indian does not exceed Rs. 30 per year. According to recent official estimates, the average income in a village is Rs. 75 and that in a city Rs. 100. If we take the figures as exact, the income is hardly sufficient for the maintenance of a reasonable standard of living. Villagers generally remain out of work for about six months during

the year. This is the general condition of those who are engaged in agriculture.

In my opinion, the real solution, to get out of these difficulties, lies in increasing wealth my means of increased production. Agricultural operations, even if they are conducted with greater efficiency, will not ease the situation, for improved means of cultivation must reduce even the present number of men employed in Agriculture. Un-employment will be still greater. Thus the one-sided economic development, based on agriculture alone cannot increase India's National Dividend and consequently can create neither fresh avenues of employment nor raise the standard of living.

Another consideration that calls for a change in the economic mal-adjustment is that India should not depend on foreigners to supply her most necessary articles of life, which can be manufactured in India. Her resources are very imperfectly utilised, their development has been unduly delayed and the national well-being demands the formulation of a wider and more active Industrial policy than has been pursued in the past. The need for a new industrial policy was accepted by the Industrial Commission that recommended the creation of a strong central Industrial department with provincial services. During the war it was found necessary to establish a Munitions Board to secure effective use of Indian resources, and to-day, it is equally urgent that both the central and provincial Governments should adopt a well considered policy. Large concerns financed mainly by Indians should be formed to develop the hitherto unexploited economic resources of India. The war revealed, perhaps for the first time to the Government the extreme inadequacy of our industrial equipment and the alarming extent to which we are dependent upon foreign resources for indispensable supplies. I ask the Government why the help and assistance given to certain Indian industries as recommended during the war by the Munitions Board are being gradually dropped.

The only solution to remedy the existing defects of our economic system is to introduce a vigorous scheme of industrialisation which will produce more wealth, create fresh avenuse of employment and make India self-contained to a greater extent. India can no longer tolerate being regarded as a plantation, growing raw produce to be shipped by foreign agents, to be worked into fabrics by foreign skill and capital and to be re-exported to India by

foreign merchants. The Industrial Commission also indicated an economically self-contained India, on economic as well as political grounds. The need for industrialisation was also emphasised on page 267 of the Montague-Chelmsford Report:—"On all grounds, a foreign policy in industrial development is urgently called for, not only to give India economic stability but in order to satisfy the aspirations of her people who desire to see her stand before the world as a well-poised, up-to-date country and in order to provide an outlet for the energies of her young men who are otherwise drawn exclusively to Government Service or to a few overstocked professions."

Having thus indicated the pressing need of India to encourage her existing industries and to stimulate new ones, thereby providing diversity of occupations, it is advisable to pause a while and take stock of the present industrial situation. I may be permitted also to point out the chief defects of our industrial organisation, how they can be removed and on what lines the industry, trade and commerce may be developed.

The industrial situation is as bad at present as it was during the last few years. Trade and Commerce continue dull and there appears very little indication of their revival. The Cotton Textile Industry which is the most important single industry not only of this city, but of the whole presidency, has also suffered enormous losses chiefly as the result of the fixation of 18d. ratio by law. Although the Government of India are at liberty to deny that the 18d. ratio has affected Indian industry and trade adversely, let me tell the Government of India that the whole of thinking India joins issue with them in this respect. As a proof, you have before you. Gentlemen, the case of the practically ruined cotton textile industry.

The most potent reason, advanced in fixing the 18d. ratio by law, was that prices had adjusted to the new ratio. I very much doubt that the adjustment of prices had taken place then. Those people who supported the Government's action regarding the fixation of the 18d. ratio have begun to realise, whether they have the courage to modify their views publicly or not, that the true adjustment has not taken place even now.. In support of my statement, I say that the true adjustment would demand that wages should be reduced by 12 1|2 per cent, because they are economically just like a commodity which can be purchased and sold. Thus wages affected cost

of production and consequently the selling price. In fact Millowners wanted to cut wages by about 12 1|2 per cent. and the result was the notorious General Strike among Bombay Cotton Textile workers, causing starvation to nearly one lac and fifty thousand workers for a period of five months and resulting in enormous losses to Millowners. In order to keep up the ratio against the clearly expressed wishes of all important Indian Businessmen and public bodies, Government manipulated the currency of the country. The Government plea that the prices of commodities had adjusted themselves to 18d. ratio proved false by actual figures later on. Every businessmen knows that high rate of Exchange encourages imports other things remaining the same. Can Government deny that the fixation of 18d. ratio has not led to an increase in imports of cotton manufactures and other goods? They must know that the public cannot be deceived now by advancing the plea that the consumers must be protected against high internal prices, if foreign competition is held in restraint, because it is a well-known fact that since the war all Governments have made it their first care to consume what is produced or manufactured within their own territories and also to provide stimulous to their industries in various ways. The interest shown by the English people to encourage their industries is clearly evinced by questions put by the members of the Parliament as to why orders for supply of a few engines or other necessary materials to India are not placed with English manufacturers but are given to foreigners. Cannot the Government who send out orders for Railway requirements amounting to about 30 to 40 crores annually set apart a few crores (say about 5 or 6 crores of rupees) in order to assist out textile industry and other industries? The answer will undoubtedly be that the Government does not care for our textile and other industries.

In this connection I have to express regret that the Hon'ble the Finance Member at his last interview with the Committee could not accept the suggestion of our Committee for an enquiry into all the disastrous effects which have resulted from the 18d. ratio. There appears to be some misunderstanding in some quarters with regard to this our suggestion. We did not demand a fresh enquiry by a fresh Committee but merely a short and speedy enquiry by experts into the present conditions which have come over trade and industries as a result of the new ratio conditions which can be ascer-

tained by facts and figures. Sir George Schuster remarked that to revert back to 1sh. 4d. would be a very bad mistake. I cannot agree with him there. If the country and its industries and trade have been ruined by the 18d. ratio, surely it is the obvious duty of Government to make enquiries and weed out the causes which are responsible for all this debacle. In support of what I have said I refer you to the recent letter written by Mr. Jamsetji Ardeseer Wadia and published in the "Times of India" dated the 16th January 1930.

The next point that I would like to refer to is the inadequate provision of the Banking facilities in India. It is a matter of some satisfaction that Banking Enquiry Committee along with Provincial Sub-Committees has been appointed and its recommendations will come up before you for consideration during the coming year. Your Committee had submitted their written Memorandum before the Provincial Sub-Committee and I had the honour, along with my friend Mr. Walchand Hirachand to represent your views at the time of oral evidence before it. As a matter of personal opinion, I may be permitted to make a few suggestions here. The Imperial Bank, being a semi-Government Bank, enjoys certain privileges and concessions. Its capital exceeds 11 crores of rupees and its reserve also stands at a high figure. To such a big Bank, the Government perhaps allows 6 to 8 crores of rupees to keep with it as deposit, free of interest The Shroffs and the indigenous joint stock banks are unable to compete with the Imperial Bank. The Shroffs and the indigenous banks with their slender resources are hardly able to develop their businesses under the existing circumstances and some of them have to fight hard even for their very existence. This sort of things should not be allowed to continue in future, for thereby the industries and trade of the country are greatly hampered. I would like to offer it as a suggestion that there should be a Central Reserve Bank, entrusted with the currency and the exchange of India, and the Government of India should not be entrusted with it in future. The Government should also encourage Commercial and Industrial Banks by keeping as deposits public money with them under suitable safe-guards and the proposed Reserve Bank should act like a Banker's Bank in the real sense of the word. The establishment of the Reserve Bank will pave the way for the ultimate adoption of the Gold Standard by India and will also encourage her industrial development. In the same connection, I would also make a sugges-

tion that industrial banks should be opened to grant long term loans to prospective businesses and new industrial and commercial concerns. These Banks will greatly improve the industries and trade of our country on modern lines. The present system of making advances by banks has had no reference to the development of Indian trade and industry. The policy pursued by the Banks has been directed not in the national interests but in individual interests only. They very often look upon Indian firms with feelings of mistrust and suspicion and their terms of advances also are generally exacting. I do not propose to deal with the Banking question at a great length as I have already dealt with it in my speech at the last Quaterly Meeting of the Chamber and also in my evidence before the Provincial Banking Enquiry Committee.

Another question that will come up before your Committee for consideration during the current year is the Report of the Royal Commission on Labour that is engaged at present in making an enquiry into Indian Labour conditions. I had the honour, Gentlemen, of being one of the Assistant Commissioners for the Bombay Presidency. Your Committee submitted a written statement and also sent their representatives before the Commission for oral evidence. As the Labour Commission is again visiting Sholapur in our Presidency in March next, I am not in a position to express views regarding the enquiry. However, I think no harm will be done if I offer a few suggestions in my personal capacity, for their consideration by the Commission.

Judged by the test of number of workers, India is the first among all the countries of the world and the magnitude of the Labour problem can be gauged from this fact alone. India's Jute Industry is unrivalled; her cotton industry occupies the fifth place in the world; and she has iron and steel works, foundries, Railway workshops, Dock Yards, Paper Mills, Petroleum, Refineries, Coal Mines, Match Factories, Leather works, Salt works, Rice Mills, Tea Plantations and so on. From the above description, it would appear that the labour question in India is one of the most important features of her Industrial Organisation. Indian Labour force is recruited almost entirely from villages and the comparative lack of skill of Indian labourers, can easily be understood by the fact that organised industries on modern lines have been of very recent growth.

It is regrettable that Labour in India has not been organised on sound lines. The growth of trade unionism on sound lines is always welcome. In western countries, strikes and lockouts are regarded as the last resort when all means of conciliation are exhausted, and when they do occur the Government always take special care that somehow or other they should be brought to an end as soon as possible. But in India strikes occur with lightning speed and the grievances are formulated afterwards. Unfortunately, the Government also do not care to end a strike or a lockout as soon as it has come into existence. The general strike among the Bombay Cotton Textile Workers lasted for months without any serious Government attempt to bring about conciliation between labour and capital. The result was that Capitalists suffered enormous losses and the workers perhaps suffered still greater losses because they hardly had any resources to fall back upon during the time of strike. I am of opinion that if labour is organised in India on sound lines both capitalists and labourers will benefit. It labourers show greater efficiency, produce more and thus reduce cost of production,, there is no reason why they will not get better remuneration for their work. Now the question to be tackled with is,. "How to increase the efficiency of Indian labourers." In my opinion, concerted action is the key to success. Labourers, Millowners, Local Bodies and the Government should all co-operate, if they really want efficient Indian labour. The Government and the Local Bodies must undertake free and compulsory education and the housing of industrial workers. Millowners and Labour Unions should also make their quota. The development of welfare activities among labourers should receive the first consideration of all who have the good of Indian Labourers at their hearts.

Labourers themselves are not entirely free from the responsibility of being inefficient. Only those who help themselves are entitled to receive help from others. They should give up the harmful social practice of spending large sums on religious ceremonies, births, deaths and marriages. They should renounce liquor which is eating away not only their vitality but also a considerably large portion of their family income. They must be taught to know how to spend money on necessaries of life. They should be fully convinced that after all the interests of labour and capital are identical. One cannot indefinitely benefit at the expense of the other. They are not

two opposing forces arrayed in a battle field. All of them should co-operate to increase the national dividend out of which all get their respective shares. The introduction of co-operative credit societies and the debt redemption societies among labourers should undoubtedly produce marked improvement in the conditions of their living and also in their standard of life. The Government may also do well to remove liquor shops from mill areas and close them on Sundays and other holidays, if they are not in a position to enforce total prohibition.

I have referred briefly to industrial disputes in a previous paragraph. I welcome the appointment of the Court of Enquiry, under the Trade Disputes Act, but what I would like as an ideal state of affairs is the existence of an unofficial permanent Board of Arbitrators for every industry in an industrial centre This Board may function permanently to decide all cases of disputes between labour and capital The permanent Board of Arbitrators, I refer to, should consist of not less than two and not more than four representatives, from both the parties, and the proportion of representation from each party should be 50 per cent Provision should also be made for the appointment of an Umpire. The sanction behind the Award should be moral, and the pressure of public opinion will see that the Award is enforced. When I had the chance of visiting Ahmedabad, in November last with the Royal Commission on Labour, I had an open heart to heart to talk with local Labour leaders, and the prominent Millowners; and I found the credit of comparative freedom of the Ahmedabad Cotton Textile Industry from long strikes and lockouts was mainly due to the existence of a permanent Board of Arbitrators.

Before I pass on to the other questions, I wish to draw your attention to the speech of Mr. N. S. Subbarao, at the Economic Conference held at Allahabad during the Christmas Holidays. Referring to the necessity of introducing new industrial policy in India, he pleaded for the establishment of a National Economic Board in order to co-ordinate various economic activities. In the United States, permanent bodies like the Tariff Commission and the Federal Trade Commission are functioning successfully; and in India also the materials for a similar All India Organisation are present in the form of a Tariff Board and the Department of Statistics and Commercial Intelligence. The Tariff Board has been functioning long enough, and it is now engaged in an enquiry into the Salt industry. It is

said that after the present Enquiry into the Salt Industry is over, the Tariff Board will take up the tanning of Hides and Skin. The creation of such a Central Organisation will no doubt do a great deal to encourage Indian industries and work out detailed plans for encouraging existing industries and also for starting new ones.

The importance of industrial training is not fully recognised in this country by the Government and also by the people to some extent and requires mention. The Indian economic conditions and the forecast of the lines of Industrial development will enable us to chalk out a new policy of education. I strongly urge public men and business community to give their serious consideration to the proposal, as the greatest need of the Industrial India is the presence in the land of men with capital, business acumen,, technical knowledge and administrative capacity who form the backbone of the Industrial life of a country. The supreme need of the country is for Managers, Foremen, Pioneers and Entrepreneurs.

Most of the Indian industries are still in their infancy, and they are unable to satnd on their own legs. The demand for protection has been one of the oldest demnads of the Indian public. It is difficult to remove the suspicion from the minds of businessmen that India's fiscal policy is dictated by Whitehall. India never wanted free trade nor does she want it now. It is for free countries like England whose industries are firmly organised. When well-organised and industrially advanced United States have been continuously protecting their industries by raising high tariff walls, Indian industries most of which are unorganised and carried on not on a very large scale, find it difficult to maintain their very existence against the cut-throat competition from foreigners with abundant resources and strong combinations. In this connection, I cannot help mentioning the export credit scheme instituted in England to give active support and encouragement to British exports, worth efforts which are being made to start Sugar industry there. England always knows what she wants and after knowing this she takes steps to get it.

As against these advantages that foreign competitors enjoy, consider the position of Indian manufactures. Instead of directly encouraging Indian industries, the Government of India has failed to impose even high duties on foreign imports. Besides, the fixation by law of 18d. ratio gave a direct incentive to foreigners to export their goods to India. In this connection, I should like to refer you to the

recommendations of the Hardy Committee on the Import Tariff on piecegoods and the External Competition in Cotton Piece-Goods Trade. The Report clearly shows by means of figures and statistical information the extent of competition from Japan and United Kingdom. By prohibition of imports, where it is clearly demonstrated that equivalent goods can be manufactured in this country, we can achieve our end. A general policy of protection should be accepted with suitable safeguards and care should be taken to see that wrong advantage is not taken of our protectionist policy by foreign interests that may come to establish their firms in India in order to enjoy the privileges instead of competing with us from a distance.

Gentlemen, I should like here to draw your attention to one or two points regarding Income-Tax in India. Among the many defects in the existing law of Income-Tax in India, the absence of any provision for business losss is perhaps the most serious one. This circumstance is slowly decreasing the Capital invested in trade and industry and is thus retarding their development. The present situation calls for immediate and effective relief in this respect. Ther eare other matters of importance relating to Income-Tax law and procedure to which only a brief reference is possible on this occasion. On one of these matters, I expressed my views in the last Quarterly Meeting of the Chamber and since then Mr. Walchand Hirachand and myself as your representatives also drew the attention of the Bombay Provincial Banknig Enquiry Committee to the same. Indian merchants in general and Shroffs in particular are placed in a position of great disadvantage on account of the practice of Income-Tax authorities, of taking long extracts from assessee's books containnig confidential information about deposits, etc. Then again, in spite of repeated protests, the attitude of the Income-Tax authorities remains as little solicitous about the convenience of assessees as ever. Generally speaking, the existing methods of collection of Income-Tax leave much to be desired. I hope Government will see about removing the many serious defects in the Indian Income Tax Law and procedure.

Before I close, Gentlemen, I may, in passing, direct your attention to a few other subjects of great consequence to the Indian public. In my opinion, the problem of retrenchment of military expenditure needs to be thoroughly and immediately tackled. Until the present huge item under this head of the Central Budget is brought

down to saner proportions many projects of national progress and advance must continue to be relegated to background. I also believe that a radical change in the policy of Government is necessary in connection with Indian exports. In my opinion, grain and other articles of food should be allowed to be exported out of India only to the extent of the excess over the demand for the same in India. It is also desirable that other raw materials necessary for development of Indian industries must, to a certain extent, be restricted. The consumers in India will thus get the necessary food grains and raw materials at reasonably lower prices.

The policy underlying the Railway Administration in India is, to my mind, a short-sighted one. A comparison with such administrations in other countries will not, I am sure, be favourable to the former. An administration really responsive to the needs of the country would so adjust Railway rates and freights as not only not to handicap the country's industrial and commercial progress but positively to help in the development of trade, commerce and industry. I am sorry to have to say that this much cannot be said of the Indian Railway Administration.

Gentlemen, I feel very strongly on the question of Prohibition. The attitude of both the public and the Provincial Governments concerned, towards this question, is simply callous. The magnitude of the great harm that is being daily done to the masses by intoxicating drugs and liquors does not seem to have been properly realised. They are spelling ruin amongst the working classes and the pessantry, and the indirect effect of this upon the economic and industrial conditions is no less harmful. It is in my opinion the duty of all Provincial Governments not only to actively support the propaganda against liquor and other intoxicating drugs, but should actually accept the policy of prohibition and carry it out in practice.

I appreciate and welcome the spech of His Excellency the Governor made at the Annual Meeting of the Associated Chambers. I also welcome the sympathetic attitude shown by His Excellency the Viceroy who had been staying here for a week. He showed great interest in our textile industry and trade. I hope and trust this will be the beginning of a new policy and if it is carried out in future in a right

spirit, I can assure the Government that Indian businessmen will certainly not be wanting in response. I also hope that Their Excellencies the Viceroy and the Governor will kindly look into the figures of the Income Tax which this Presidency and the City have been contributing annually, for these figures will enable them to appraise the deplorable condition of our industrial city.

This is the time when great Statesmen are required to steer the politics of India. The World Nwespaepr Services are and will be acting both as friends and foes, and every act will, shall and must be such as would clearly enable all people to understand the same. Mincing the matters or holding out threats shall have no place. Any fact as soon as it happens, wherever it be, in the world is reflected as if in a mirror within twenty-four hours all round the world. Let no one be under the misapprehension that what is done in London or in New York or in Tokio by its Government is not known in India. I say that it is the comparision which causes satisfaction or dissatisfaction.

The days are gone when people of any country will tolerate the Government which cannot provide employment for its people in order to earn fair living. As an instance, I refer you to pertinent questions that arise in England in connection with the unemployment of her people and the measures adopted by the Government to remedy the evil. If England can show by her action that the Government of India will in future be carried on for the benefit of Indians, I have no doubt that a large section of Indian Politicians will not think of severing India's connections with her.

If the Government went that there should be satisfaction among Indians and that there should be as few troubles and disturbances as possible, it is their foremost duty to provide every help and assistance for the encouragement of Indian industries and trade and thereby create employment for the increasing number of unemployed Indians. Economic causes are always at the root of all sorts of troubles and disturbances. A satisfied India will be the greatest strength to the British Empire and will contribute cosniderably to the progress of the world peace.

With these words, Gentlemen, I second the proposition for the adoption of the Annual Report for the year 1929.

SPEECH OF MR. BEHRAM N. KARANJIA, THE NEWLY-ELECTED VICE-PRESIDENT.

I thank you most warmly for the honour you have done me by the unanimous voice with which you have elected me Vice-President of this Chamber for the current year. Our Chamber is now a potent force in the commercial, industrial and economic life of the country and the responsibilities of the office which you have entrusted to me are great indeed. I assure you I will do my best to prove worthy of the confidence you have reposed in me.

This year we are on the eve of great constitutional changes in the administration of this country. That publication of great constitutional effort known as the Nehru Report, the advent of the Labour Government to Power, issuing of the statement by His Excellency the Viceroy and the welcome response given to it by leaders of political thought of different shades gave us hopes of an early dawn and led many of us to believe that after ten years of a disturbed political atmosphere we were going to have a cloudless sky and a joint co-operating and uniform working. Like the course of love, the course of politics however does not always run smoothly, and the breaking off of the Conference of Mahatma Gandhi with His Excellency the Viceroy followed by the resolutions of the Lahore Congress has changed the political situation for worse and has for the present at least destroyed our expectation that the Round Table Conference would be attended by all our national leaders specially those who could deliver the goods. As the President has already expatiated at great length on the present political situation I do not want to say anything more beyond emphasising that the boycott of legislatures and the refusal to attend the Round Table Conference combined with the declaration of independence as the goal are not calculated to further the interests of the country—may rather prove adverse and disastrous to our political and economic progress.

3. Gentlemen, the most important industry for our Presidency is the textile industry. Its prospects are still as gloomy as before. There has been a patched up truce between labour and capital, but let us hope the labours of the Labour Commission will result in evolving a system under which capital and labour will work in future as partners in industry and that the main cause of the present

difficulties will be removed. But there are many other matters affecting the welfare of this industry which have to be taken into account. The Managing Agency system has proved valuable and played a great part in building up the cotton textile industry in the city. Times however are changing fast and it is now a question if we should have modifications in this system in the interests of the industry. In this connection I cannot help deploring the indifference of our millowners to new channels of business in the lines—for instance artificial silk cloth. You are aware, gentlemen, of the heavy imports of artificial silk cloth into our country during the last year. Rapid strides have been made recently in this line and the cloth is sold in our market cheaper than cotton goods. If our textile industry does not bestir itself in manufacturing this cloth, the entire textile industry of the country would, I fear, be ruined, no matter what protection it gets from Government. Japan for instance thrives on artificial silk cloth and match splints and veneers as cottage industries and if side by side with khaddar the Congress leaders turn their attention to this practicable and profitable industry for our villages, they would be rendering a lasting service to the country.

4. Another important question is that of the mercantile marine. It is to be deeply deplored that the last conference on the subject proved abortive, but gentlemen, can we not by our own united efforts lay the foundations of a successful mercantile marine of our own? I shall give you one example which we might well emulate. When the N. Y. K. commenced its operations outside Japan and endeavoured to secure foreign business, the vested interests combined against them so formidably that they could not secure any freight. Fortunately, however, for them there was one far-sighted merchant who came to their rescue. This was the late Jamsetjee Tata who was then doing business with Japan on a very extensive scale. Just to help the company he brought heavy cargoes from Japan, even though he had no hopes of disposing of the same and in fact lost heavily on that account. But this enabled the company to take cotton from this country to Japan. Thus the company was given a valuable and timely start and eventually it became a very powerful and prosperous steamship company. If our merchants show the same foresight and patriotism, it is in their hands to combine and resolve to do inland business with only Indian Companies. In

this way they would not only give valuable assistance to the existing concerns but pave the way for the opening of new concerns and building up a powerful Indian Mercantile Marine.

5. Another question of national importance is Insurance. It is gratifying that our Indian Insurance Companies have been showing steady progress but as yet the bulk of the business, both in life insurance as well as fire insurance, is in the hands of the foreign companies. Here, too, the remedy lies in our own hands and commercial organisations such as ours should make combined efforts and take concerted action to see that Indian Insurance goes to Indian Companies. The insurance premia ought to increase the country's resources for credit facilities but in our case the foreign companies invest these moneys in foreign concerns and starve our industries and trade. If for no other reason, at least for this, there should be restrictions on the activities of these foreign companies.

6. Speaking of credit facilities, I would refer to the appointment of the Banking Enquiry Committees which are now at work in the country. Gentlemen, you know that commissions come and commissions go. But nothing happens. Reams of reports are written and pigeon-holed so that the public have lost faith in the efficacy of these costly commissions and committees. But on the results of the working of these banking committees depends the economic welfare of the entire country and I do hope that their inquiries will lead to the collection of valuable data for the economic development of the country and that these will be followed up by prompt action for the organisation of a banking structure suited to the needs of the country. We know the Hon'ble the Finance Member takes a deep personal interest in this question and this encourages us to believe that the banking commission at least will bear good fruit. Our Chamber has sent reasoned statements in reply to the questionnaire of the Provincial as well as the Central Committees and I hope the members of these committees will pay careful attention to our views and recommendations.

7. Gentlemen, there are numerous topics on which I could dwell on such occasions, but I will not weary you with all these matters. I would just call attention to one or two points. The position as regards trading abroad has not at all improved. Even in South

Africa despite the efforts of men like the Rt. Hon. Srinivas Shastri there is little improvement and much less as regards the status of Indians in the colonies. I suggest that we take up this question this year and urge strong action in the matter.

8. The other point to which I would invite your attention is the great hardship experienced by the mercantile community owing to the inordinate delay in disposal of cases in our law courts and the prohibitive cost of litigation. This deters many merchants from resorting to courts of justice for their just claims. Much has been said about this in the past, but nothing has been done to improve matters and I suggest that we should not sit quiet until the machinery of the civil courts is remodelled so as to admit of prompt justice at reasonable cost.

9. The last question to which I should like to refer is the policy of Government in regard to the sales of silver. It is an old, old story, but its disastrous effects have been felt during the last few months. The abnormal fall in prices has led to the ruination of merchants as well as the poorest members of the society. All this is due to the uncertainty as to the particular action that Government would take at a particular moment and we cannot too strongly emphasize the need for a very clear and definite enunciation of the policy of Government as regards the sale of silver.

After some general discussion the meeting proceeded with the next item on the agenda, **viz.,** declaration of the result of the Chamber's Office bearers for 1930, and the appointment of Messrs. Devidas Vithaldas and Co., as auditors.

Prof. K. T. Shah having had to leave the meeting earlier the resolution (item No. 4 on the agenda) notice of which was given by him was moved by Mr. Vallabhdas Ranchhoddas and seconded by Mr. Ramchandra M. Bhatt. The resolution, after being put to vote, was declared lost.

With a vote of thanks to the retiring President and the Committee, the meeting terminated.

REPORT OF THE COMMITTEE
OF
THE INDIAN MERCHANTS' CHAMBER

for the year 1929 presented to the Annual General Meeting of the Chamber held on 25th January 1930.

Your Committee have pleasure in presenting the 22nd Annual Report of your Chamber. During the course of the year 70 Committee and 128 Sub-Committee meetings were held, the work done being of a varied and important nature.

The principal subjects dealt with by your Committee related to the following main heads:—

(1) Transport and Communications, (2) Finance, Tariffs and Taxation, (3) Trade and Industrial Legislation, (4) Government Stores Purchase Policy, (5) General Trade and Industry and (6) General.

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I. TRANSPORT AND COMMUNICATIONS-ROADS, RAILWAYS, SHIPPING, AERONAUTICS, TELEPHONE.

(1) Report of the Indian Roads Development Committee and Government decision thereon:

The Committee, at the instance of a member, requested the Government of India to let them know as to what decision they had arrived at on the recommendations of the Indian Roads Development Committee. Government in reply informed the Committee that the recommendations of the Roads Committee were under consideration. It may be mentioned in this connection that the tax of 4 annas. per gallon of petrol, was increased to 6 annas., as suggested by Roads Development Committee.

(2) Recommendations of the Indian Roads Development Committee.

The Committee expressed their views to the Government of India on the recommendations of the Indian Roads Committee.

They fully agreed with Roads Committee in what the latter said about the interdependence of Roads and Railways. In their opinion the Railways have not been able to tap the districts and get full advantage of their lines due to the absence of good roads leading upto railway stations and thus connecting the interior They suggested that for some time to come at least, the fear of roard competing with railways in this country was unfounded but on the contrary Railways were sure to be benefited by such feeder roads. They therefore agreed with the Roads Committee's suggestion that the Railways should be asked to contribute towards the construction and maintenance of roads. The Committee endorsed the views of the Road, Committee that the income derived from the excise duty on motor spirit should be utilised towards the development of roads.

The Committee were not in favour of any reduction of duty on motor cars and spare parts. They also suggested that the earnings from duty on spare parts should be reserved for roads.

They protested against the practice of exempting Military Cars and carriages from the payment of any road cess or toll. They agreed with the Roads Committee that a contribution must be made from the Army Budget towards the maintenance and repairs of roads which were mainly used for Military purposes.

The Committee observed that tolls should not be abolished unless the Provincial authorities were amply compensated for the loss in this form of revenue.

The Committee also endorsed the suggestion of the Roads Committee that there should be a Standing Committee of the Indian legislature for roads.

In conclusion, the Committee emphasised their opposition to any centralisation of the Roads Department. Roads were a provincial and transferred subject which should be in the charge of the respective provinces.

(3) Interview with Mr. P. R. Rau, Financial Commissioner for Railways:

The Committee had an interview with Mr. P. R. Rau, Financial Commissioner for Railways, Govenment of India, on Thursday, 30th May 1929, when the following questions were discussed with him : viz : (1) Kalyan Power-House scheme, (2) Relief to industries from railway earnings, (3) Reduced Coal Freight and (4) Treatment of passengers by the Barsi Light Railway.

(4) Interview with M. T. G. Russell, Chief Commissioner for Railways and Mr. A. A. L. Parsons, Financial Commissioner for Railways:

The Committee had an interview with the Chief Commissioner and the Financial Commissioner for Railways on Friday 22nd November when the following questions were discussed:

(1) Bombay-Sind Railway.
(2) Advisory Committee to the Barsi Light Railway Co.
(3) Rate Commission concessions to Anglo-Indian employees.
(4) Relief to industries from railway earnings.
(5) Concession to parties of film producing companies.

(5) Grievances of the Wadi Bunder Forwarding Agents' Union against the G. I. P. Railway. (Vide item No. 4 of the Chamber's report for 1928):

A further complaint was received from the above Union re-insufficient space for standing near delivery windows and also inadequate facilities for weighing goods presented at Wadi Bunder for booking in time. The Union observed that formerly there were two weigh-bridges at Wadi Bunder but for sometime past there was only one weigh-bridge in operation with the result that the merchants and the Dalals found it extremely difficult to get their goods weighed in good time. The Committee requested their representative on the Local Advisory Committee of the G. I. P. Railway to take up these matters in that body and do the needful

The Hon'ble Sir Phiroze C. Sethna informed the Committee that at a meeting of the Advisory Committee on 2nd May 1929 the following information with regard to the above was given by the Agent :

(1) More brackets had been put up so that there would be more light in the sheds ;
(2) Additional seats had been provided in Shed No. 10;
(3) Spaces had been barricaded off in different sheds which would give the members of the Union sufficient space near the windows ;
(4) As regards providing more windows the authorities did not consider the same necessary.
(5) As to delay in Railway Receipts, the authorities were collecting information as to the time taken, and

proposed to take steps after 6 months had been completed on 30th June 1929.

(6) Some railway grievances of grain merchants :

The attention of the Committee was drawn to some railway grievances of grain merchants. The first complaint was that slack bags in owner's risk consignments were not reweighed at Wadi Bunder at present, which gave great difficulty and trouble to the merchants and there was also the likelihood of pilferage from such bags. The second complaint was that one anna per maund per day was being charged as wharfage at Wadi Bunder and it was emphasised that it being a very high charge, should be reduced substantially. The last complaint was that memos kept for reweighment of consignments by the Railway Company did not show the date and time when they were reweighed and it was suggested that the time limit for taking delivery should run from the time of actual re-weighment and not from the time of the handing over of these memos to the railway authorities. The Committee requested their representative on the Local Advisory Committee of the G. I. P. Railway, the Hon'ble Sir Phiroze C. Sethna, to take up these questions there and do the needful.

(7) Station to station rates for matches quoted by the G. I. P. Railway from Ambarnath and Kurla:

The attention of the Committee was drawn to the fact that the G. I. P. Ry., quoted special station to station rates for safety matches from Kurla where an Indian match factory was situated and Ambarnath, the location of the Western India Match Company, but all these station to station rates from Ambarnath had not been made applicable to Kurla. They thereupon addressed the Railway Board pointing out that such station to station rates from Ambarnath and Kurla acted adversely on many of the indigenous match companies such as those placed at Andheri, Santa Cruz etc., as it would not pay them to have their consignment first conveyed to Kurla to enable them to take advantage of those rates. They observed that the action of the G. I. P. Ry., was, therefore,

in the nature of a direct concession to the Western India Match Company. They incidentally mentioned that the Kurla factory which was an Indian concern was not a big factory. They were therefore of opinion that the Railway should not be allowed to give preferential treatment either directly or indirectly which was bound to harm the other indigenous competitive concerns. They therefore requested Government to be pleased to take up the matter with the Agent of that Railway and remove the legitimate grievance of the indigenous match industry.

The Railway Board informed the Committee that these special rates quoted by the G. I. P Railway were on the same basis as the rates quoted by the B. B. & C. I. Railway for their match-factory stations and were intended to prevent a diversion of traffic, and that the same rates would be available to the factories on the B. B. & & C. I. Railway from via Dadar.

(8) Concession rates over the G. I. P. Railway for logs used in the manufacture of matches.

The Committee addressed the G. I. P. Railway suggesting that the special rates for logs used in the manufacture of matches quoted for their match factory stations may be extended to match factory stations on the B. B. & C. I. Railway. via Dadar. The G.I. P. Railway agreed to this suggestion.

(9) Prohibitive railway freight for crude oil :

A complaint was received from the Gwalior Chamber of Commerce that the G. I. P. Ry. charged a very high freight for crude oil despatched from Bombay to Gwalior. As the question had an all-India bearing, the Committee referred the Gwalior Chamber to the Federation of Indian Chambers of Commerce and Industry, for doing the needful in the matter.

(10) Concession facilities to Students over the B. B. & C. I. Railway.

The Yagnik's College of Commerce, Ahmedabad, represented to the committee that their students who were staying at

stations near about Ahmedabad and who went daily from their place to attend the college were refused the monthly concession facilities which they were formerly granted by the B. B. & C. I. Railway. The Committee requested their representative on the B. B. & C. I. Railway local Advisory Committee to take up the matter in that Committee.

(11) Classification of 'Poha' by the G. I. P. Railway :

A complaint was received by some grain merchants that 'Poha' was till recently classified as grains and pulse and seeds common and booked at railway risk at rate for grain and pulse by the G. I. P. Railway. Various other railways also accepted 'Poha' on the same classification, but recently the G. I. P. Railway applied station at station rates for grain and pulse and seeds common to Poha at owners' risk only, the effect of which was that the consignors of Poha were obliged to pay the rates of Re. 0-12-0 instead of the former rates of Re. 0-7-5 for railway risk. The Committee realising the force of the complaint of the merchants requested their representative, the Hon'ble Sir Phiroze C. Sethna, on the local Advisory Committee of that Railway to take up the matter there and do the needful.

(12) Lee Commission Concessions to Officers of the principal Indian Railways:

The attention of the Committee was drawn to the fact that certain officers of the B. B. & C. I. Railway were transferred from the Asiatic to non-Asiatic cadre thus enabling them to avail themselves of the various concessions as recommended by the Lee Commission. They therefore asked the B. B. & C. I. Railway for information regarding such transfers. The Railway in reply informed the Committee that such transfers had been made with the sanction of the Government of India. The Committee thereupon requested the Railway Board to supply them with particulars regarding such transfers effected on all the principal Indian Railways. The Railway Board replied that recently some alterations were made

in the Rules of Domicile by which certain employees who were previously debarred from admission to the Lee Concessions notwithstanding that their legal domicile was non-Asiatic were enabled to avail themselves of the Lee Concessions: The Committee asked for information as to the number of individuals on each Railway who have benefited by this change in rules and as to whether the Public Services Commission was referred to in the matter. Subsequently at an interview with the Committee, the Chief Commissioner for Railways told them that the Railway Board was not responsible for the change in rule, the same having been effected by the Government of India. The Committee are in communication with the Government of India in the matter.

(13) Railway Concession to parties of Film Companies.

The attention of the Committee was drawn to the fact that the concession facilities generally granted to theatrical parties and other entertaining troups by the B. B. & C. I. and G. I. P. Railways were not extended to parties of film producing companies moving about to take scenes, on the ground that they were not actually moving about for public entertainments. The Committee pointed out that the film producing parties moved about for taking pictures which were to be used for public entertainments and as such the distinction sought to be created was invidious The Railway Companies replied that such concessions were granted with a view to encourage traffic which reason did not operate with small parties of film producing companies. To this the Committee replied that as theatrical Componies and film producing companies served the same purpose of entertaining public both should be given equal treatment. They also pointed out that it was wrong to suggest that film producing parties were necessarily small. On all these grounds the Committee represented that these concession facilities should be extended to film producing parties.

On the Railway Companies refusing to reconsider the matter, the Committee addressed the Railway Board but were informed

that the Board saw no reason for interfering with the discretion of the Railway administrations. Subsequently, however, at an interview with the Committee, the Chief Commissioner for Railways and the Financial Commissioner for Railways, asked the Committee to write to the Railway Board once again and promised to reconsider the matter. TheRailway Board has issued instructions that such concessions should be granted to film producing Companies over all the state railways.

(14) Calculation of charges for parcels, luggage and goods over the railways: (Vide Chamber's report for 1928.)

The Committee had requested the Railway Board last year to charge rates for parcels, luggage and goods on 5 seer divisions instead of the present 10 seer divisions. The Committee in reply were informed early this year that Government had been pleased to base rates for parcels and luggage over the principal railways on 5 seer divisions. With regard to goods, however, Government were not prepared to extend the reduction. The Committee thereupon requested theGovernment of India to be pleased to reconsider their decision and extend the reduction to goods as had been done with regard to parcels and luggage. The Committee were informed that the reduction would be extended to goods with effect from 1st January 1930.

(15) Advisory Committee to the Barsi Light Railway Co.

The Committee addressed the Railway Board re: the treatment meted out, and the absence of facilities, to pilgrims to Pandharpur, travelling 3rd class over the Barsi Light Railway, which had almost assumed the nature of a public scandal. The Committee urged the formation of an Advisory Committee on the Barsi Light Railway, with a view to watch the comforts of pilgrims and to generally advise the Railway administration. They suggested that the Advisory Committee should consist of at least three non-official members as follows :

(1) A representative of the Sholapur Merchants' Chamber

(2) A representative of the Bombay Legislative Council

(3) A representative elcted by the G. I. P. Railway local Advisory Committee (Non-Official to be elected.)

The Railway Board informed the Committee that they were in communication with the authorities of the Barsi Light Railway Co. in the matter.

(16) Representation of Indian Commerce on the M. S. M. Railway Branch Advisory Committee at Hubli.

(Vide Chambers' Annual Report for 1928, item No. 6). The Committee were informed by the Government of Bombay that their recommendation to allow the Maharastra Chamber of Commerce to elect one member to sit on the Hubli Branch of the M. S. M. Railway Advisory Committee had been accepted by the Railway Authorities.

(17) Railway freight on agricultural implements :

At the suggestion of a member, the Committee wrote to the Railway Board asking them to review the freight rate on agricultural implements as recommended by the Royal Commission on Agriculture, with a view to reducing the rates on implements manufactured by the two indigenous companies at Kirloskarvadi and Satara.

(18) 2nd Class Mileage coupons over the South Indian Railway.

At the suggestion of a member, the Committee wrote to the Agent, South Indian Railway, requesting him that the system of issuing mileage coupon tickets may be extended to 2nd Class travellers as well over that Railway. The Committee were informed that such tickets will be made available to Second Class passengers from January 1930.

(19) Indianisation of Pilot and connected services in the Bombay Port Trust: (Vide page 186 Chamber's Report for 1927):

It might be recalled that in 1927, the Committee addressed a representation to the Bombay Port Trust embodying some sugges-

tions regarding the Indianisation of Pilot and connected service in the Port Trust. In January this year, the Committee were informed that the Board of Trustees had considered the suggestions and decided to endow two scholarships of the value of Rs. 100 each per month tenable for a period of three years from the date of passing from the I.M.M.T.S. " Dufferin " and subject to the selected cadets obtaining appointments as apprentices as Junior Officers in one of the recognised steamship lines and continuing their sea career during the period of scholarship. The Port Trust hoped that the scholarships would prove an incentive to the best cadets and assist them materially at the outset of their sea career and that the scheme would provide a future nucleus of selected officers who after obtaining their Master's certificates would be eligible for appointment for such vacancies in the Pilot service as might hereafter occur. The committee while appreciating the action of the Port Trust did not think that the scheme would achieve the object viz., Indianisation of the Port Trust services. It was observed in the letter from the Trust that the Port Officer was very definitely of opinion that no change should be made in the rule which required all officers of the Bombay Pilot Service to possess a foreign-going Master's Certificate. The Committee in this connection observed that the possession of a foreign-going Master's certificate was not considered essential for those who wished to enter the Bengal Pilot service, which was said to be the most difficult Pilot service in the world, or the Rangoon or the Karachi Pilot services. They therefore failed to appreciate the justification for insisting upon a foreign-going Master's certificate as a condition for the Bombay Pilot service. They requested the Port Trust to reconsider the qualifications that were considered essential for entry into the Bombay Pilot Service.

(20) Views of Mr. Sharpe, on Mr. Haji's Coastal Traffic Reservation Bill: (Vide item No. 61 of the summary report of the Committee for 1928):

In this connection the Committee forwarded to the Chairman, of the Bombay Port Trust, copies of correspondence which

passed between Mr. Sharpe, the then acting Chairman, and the President of the Chamber on the above subject. They were of opinion that whenever any communications were addressed to the Chairmen or Secretaries of public bodies it was the views of those bodies that were called for and not the views of the particular individuals who might happen to occupy those posts. They were supported in their views by the letter from the Government of Bombay in which it was clearly stated that

> "Government address such communications to Chairmen of public and semi-public bodies in their capacity of representatives of those bodies," and that "when replies were received from those officers it is presumed that the replies they despatch are given under proper authority"

The Committee observed that the action of Mr. Sharpe had been responsible for a misimpression on the part of the Government of India that the views expressed by him represented the collective views of the Bombay Port Trust. They therefore requested the Chairman of the Port Trust to make it clear to the Government of India that the views expressed by Mr. Sharpe were his own personal views and not the views of the Bombay Port Trust, of which he was the then Chairman. They also hoped that in future all such communications as were received from Government addressed to Chairman of the Port Trust would be placed before the Board of Trustees for their views.

The Chairman of the Bombay Port Trust informed the Committee that the views expressed by Mr. Sharpe, the then Chairman, on Mr. Haji's Coastal Traffic Reservation Bill were his personal views and not the official views of the Bombay Port Trust. He also informed the Government to this effect, as desired by the Committee in their previous communication.

(21) International regulation of hours of work on Board Ships:

A letter was received from the Shipping Master, Bombay, asking for some information required by the Government of India.

on the above question. Precise information was desired on the following points :

(1) normal hours of labour both at sea and in port;

(2) importance of overtime work and the scales of payment therefor ;

(3) the necessary number of men required for different tasks according to the type of navigation and other necessary complimentary and related problems.

The Committee forwarded to the Shipping Master a Note prepared by Mr. M. A. Master, General Manger, Scindia Steam Navigation Co., Ltd., Bombay, containing as much information as possible regarding the subject.

(22) Question relating to hours of work and organisation of work on board ship issued by the International Labour Office in connection with the Maritime session of the International Labour Conference, 1929:

The Government of India, Department of Commerce, informed the Committee that the International Labour Office were preparing a survey of law and practice in force in the different maritime countries and they had for that purpose drawn up a list of questions. The Committee were requested to supply the necessary information to Government. The Committee collected all the available information on the above questionnaire issued by the International Labour Office and forwarded the same to Government.

(23) Closing down of night work in the Bombay Docks after 1-30 a.m.

The opinion of the Committee was invited by the Bombay Port Trust on the request of the Bombay Port Trust Union that all night work should cease at 1-30 a.m., the period from 7-30 p.m. to to 1-30 a. m. to count as full night's overtime. The Committsee in reply stated that no reduction in hours of working should be

made on the basisof a corresponding reduction in the wages of the workers who were not prepared to accept such a reduction. They would, however, welcome reduction in the hours of working without a corresponding reduction in the wages, if possible.

(24) Revised Rules re: selection of candidates for the Bengal Pilot Service: (Vide Report for 1928, page 62).

The Government of India in the Department of Commerce forwarded to the Committee a copy of the revised rules for appointment of candidates to the Bengal Pilot service, Under rule 5 of these rules the age-limit for entrance into the service had been raised from 22 to 23 years. But as the rule read "A candidate must not have attained his **twenty third birthday** on the 1st day of July of the year in which the selection is made," the Committee addressed Government to ascertain whether 23rd birthday meant completion of 23 years after birth, or 22 years, interpreting first birthday to mean the date of birth. Government informed the committee that birthday meant "anniversary of the day of birth" and as such the new rule would mean completion of 23 years.

(25) Report of the Marine Court of Inquiry and Government Resolution thereon re: loss of s.s. Tukaram and Jayanti: Vide Chamber's Report for the year 1928).

It might berecalled in this connection that the Committee had been pressing for the publication of the findings of the Marine Court of Inquiry instituted by the Government of Bombay re: loss of s.s. Tukaram & s.s. Jayanti. Government, however, did not see the way to make the document public but on the other hand published a short account of the same, together with their decision thereon. The Committee addressed the Government of Bombay stating that two important points arose out of the Inquiry, viz : one dealing with the nature and extent of life saving appliances which such steamers ought to carry, and secondly ascertaining the official position of the Port and Marine authorities in Bombay in regard to vessels reported missing or in distress off the Coast. With regard to the first the

Committee strongly endorsed the recommendation of the Marine Court and urged upon Government to accept the same, that such steamers should be provided with rafts and other buoyant apparatus sufficient to support all passengers not provided for in the life boats, and it should be made obligatory on them to carry wireless apparatus. With regard to the second point, in view of the disclosure of the attitude of the Royal Indian Marine authorities, the Committee were strongly of opinion that some obligation should be imposed on both the Port and the Royal Indian Marine authorities to send out vessels to help or rescue of a ship reported as missing or in distress, and locate its position with a view to issue timely warning to shipping so that the reported ship missing or having foundered may not constitute a source of danger to navigation.

(26) Election of Chamber's representatives on the Bombay Port Trust:

The term of office of the Chamber's representatives on the Board of Trustees of the Bombay Port Trust having expired on 31st March. 1929, Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., M.L.A., Mr. Lalji Naranji, M.L.C. and Mr. Lakhmidas Rowjee Tairsee were re-elected, and Messrs. Devidas Madhowji Thakersey and Velji Lakhamsi Nappoo were elected, as the representatives of the Chamber on the Board for a period of two years commencing from 1st April 1929.

(27) Extension of the deferred rebate system by the Conference Line steamers to consignees of Java sugar: [Vide Appendix No. 75 p. 466 Annual Report of the Chamber for 1928):

In reply to the Committee's representation to the Government of India on the above, Government informed them that as the stipulation under reference had not been put into effect, they did not propose to take any action. The Committee thereupon addressed Government stating that the very existence of such a clause in the contract form was a source of constant danger to the com-

mercial interests as it might be put into effect at any time without notice and thereby do serious injury to trade interests. They therefore requested Government to be pleased to instist upon the immediate deletion of the said stipulation from the contract form by the Conference Line Steamship Companies.

(28) The 1929 Sub-Conference of the Imperial Conference and Mr. Haji's Coastal Reservation Bill:

The following telegrams were exchanged between the Committee and the Government of India on the above subject :

1. Telegram from the Committee to Government :

"Committee Indian Merchants' Chamber understand that the discussion on the Coastal Shipping questions at the sub-conference of the Imperial Conference in London will affect adversely the Coastal Reservation Bill which is before the Assembly. If this be so, in fairness to the Assembly Government should take steps to have it made clear at the Conference that this discussion will not prejudice the cause of the Bill. Unless Government do so the strongest ground exists for the suspicion that the convening of the Conference at such an extraordinarily short notice is to prevent further progress of the Coastal Reservation Bill in the Indian Legislature. Committee wish to convey frankly to Government the apprehension of the Indian public as above so that Government may forthwith clear it."

2. Telegram from Government to the Committee :

"Your Telegram of eleventh October, Conference of Dominion Legislation early Autumn of 1929 was proposed for date of Conference as long as November 1928. Government of India were not finally informed of date fixed until middle of September but they understand that delay was occasioned by difficulty of choosing date acceptable to all members of Conference. Question of Coastal Traffic Reservation Bill did not in any way affect choice of date. Subjects to be discussed at Conference other than Merchant Ship-

ping Legislation primarily concern Great Britain and Dominions and decision about date necessarily rested with them."

3. Reply from Committee,

"Your Telegram dated 19th. My Committee note that issues to be discussed at the Conference primarily concern Britain and Dominions. My Committee desire to emphasise that Government of India will take every care that this country is in no way commit. ted to any policy which does not receive the previous sanction of the Legislative Assembly."

(29) Handling of coal during recent disturbances in the City.

A letter was received from some coal merchants regardng the difficulties in handling coal owing to the disturbances in the City. It was stated that during the period from 7th to 12th February 1929 it was physically impossible to get sufficient labour to handle coal due to riotous conditions in the City. It was therefore sugg-. ested by the coal trade that the said period should be considered as **non diam** for handling of coal in the Port. The Committee invited the opinion of the Bombay Chamber of Commerce in this connection and requested that Chamber to accept the above suggestion. The Bombay Chamber in reply informed the Committee that they were prepared to issue **force majeure** certificates covering the days on which contracts could not be fulfilled on account of the disturbances prevailing in the City. They further informed that they had declared 6, 7, 8, 9, 11 and 12th February as **dies non** in respect of which they were prepared after verification to issue **force majeure** certificates. This arrangement met with the approval of the coaltrade.

(30) Waivure of docks extra fees owing to riots in the City, by the Bombay Port Trust :

The following copies of two orders dated the 11th and 13th February, respectively re : waivure of Docks extra fees on certain days on which it was not possible for importers to effect deliveries

of their goods from the Docks, are published for general information:

Bombay Port Trust Docks.

Order No. D-6-8-8-1929.

SUBJECT—**Levy of Docks Extra Fees.**

As the result of the rioting in Bombay it has not been possible for importers to effect deliveries of their goods from the Docks. It has therefore been decided that Thursday, the 7th instant, and all succeeding days up to a date to be notified later are to be considered as **dies non** for the purpose of calculating extra fees. This means that all Landing dates will continue to be fixed in accordance with the ordinary rules, but that all days commencing from Thursday, the 7th until such date as deliveries re-commence (which will be notified in due course by the Docks Manager) will be treated as 'Sundays' in assessing the extra fees leviable on cargo landed in the Docks.

11th February 1929. Sd. C. N. RICH,
Manager,

Bombaty Port Trut Docks.

Order No. D-6-8-9-1929.

SUBJECT-Waivure of
Docks Extra Fees.

As deliveries from the Docks became normal during the day of the 13th February, the **dies non** notified in Docks Order No. D. 6-8-8, dated 11th instant, are terminated at 5-30 p.m. on the 13th February 1929.

13th February 1929. Sd. C. N. RICH,
Manager.

(31) Scholarships by Government for the study of Aeronautics:

The Committee addressed the Government of India asking for details regarding the scheme of scholarships being given to Indian students studying Aeronautics in England and as to the training,

they will be given and the further avenues for their employment. the Committee were informed that the course would cover :—

(1) A post graduate course of intructions in aeronautics;

(2 A course of flying training consisting of 40 hours in the "Moth" aeroplane;

(3) Nine months practical workshop training in an aircraft factory;

(4) Three months attachment to the traffic control department Croydon Aerodrome.

The Government also informed that the scholar will not be entitled to an appointment on completion of his course, but, if required, he will have to serve the Civil Aviation Department.

(32). The Bombay Telephone Co. and Message Rate System:

The attention of the Committee was drawn to the new contract form which was being sent round by the Bombay Telephone Company to their subscribers, wherein a clause had been inserted entitling the Company to terminate all contracts at 3 months' notice in the event of the Message Rate system of charges was introduced. The Committee wrote to the Telephone Company pointing out that in the absence of any sanction from Government to introduce the Message Rate system, there was no justification for inserting such a clause in the contract and that it was not fair to take signatures of subscribers to an agreement which implied that subscribers recorded in anticipation their approval of the Message Rate system The Committee's letter to the Company was published in the press. The matter is under correspondence.

II FINANCE, TARIFF AND TAXATION

(33) Government of India Budget for 1929-30 :

The Committee sent a telegram to the Government of India's Finance Department, re : the Budget for 1929-30. They observed therein that fixing of 55 crores as standard normal military charges

was really more than 65 crores at the present rate of exchange and in terms of goods and services, and still more if one takes into consideration the concealed expenditure in several departments like Telegraphs, Railways, Interest on war debt, etc. They regretted that no reduction was made in the Postal rates. If Posts and Telegraph Departments were treated as separate the Postal department by itself showed handsome surplus which at present was swallowed up by the Telegraphs department, especially the foreign side of it. The Committee emphasised the fundamental principle of Public Finance that no more money should be raised from people than absolutely necessary for expenditure during the year. They urged that there was no necessity of definitely deciding upon borrowing abroad for purchasing the South Punjab Railway, though the original enterprise was financed in England. They considered that the heavy salt duty might obtain relief if foreign salt imported into India was taxed advalorem, excluding salt from Aden, which was Indian. Regarding exchange position, the Committee pointed out that the argument of accomplished fact should not be pressed so much within such a short time after the new ratio of the rupee had been attained. They had grave doubts whether the adjustments in prices and wages had actually taken place as claimed. The Committee were apprehensive that much of the economic unest and industrial troubles were directly traceable to dislocation effected when exchange was departed from initially.

(34) Government of India Sterling Loan of 1929 :

The Committee addressed a representation to the Government of India, Finance Department, in conncection with the Sterling Loan of 10 millions recently issued by the Secretary of State for India in London. They were at a loss to understand why the Secretary of State issued the loan in January when the London Money-market was naturally tight, and not in May-July when that market was comparatively easy. They cited examples of loans floated in London by certain English Municipalities like Birmingham etc., and some Colonial Governments, like that of New Zealand at more favourable terms than obtained by the Secretary of State for

India. The Committee felt that whilst for a time the borrowing necessary for capital works might have been avoided, that advantage had not been secured to India for long. They could not help referring to the warnings they had continuously given to Government that their currency policy was bound to lead to further borrowings before long.

The Finance member in reply pointed out that the time chosen for the floating of the loan was not inopportune, as from his experience of the London Market, he could say that easy money conditions prevailed during the month of January.

In this connection the Finance Member referred to the heavy private imports of Gold and Silver, to the value of Rs. 38 crores per annum. He suggested that these imports of Gold and Silver were hoarded up and were an investment of an unproductive kind. If these savings could be invested in productive undertakings, he expressed the hope that there would be no need to borrow abroad. The Committee pointed out that as long as Government's Currency policy was what it had been, it was not possible to persuade the people to invest their savings in Government loans and productive under-takings. The absence of a gold standard and a gold currency, the Committee observed made it difficult for the people to trust Government with the Gold and Silver. The Committee in conclusion stressed upon the Finance member the urgent necessity to thoroughly change the present currency policy of Government which policy was actuated by a solicitude for interests other than Indian.

(35) Sale of silver and contraction of currency.

The Committee addressed the Government of India in the Finance Department protesting against their action in selling silver and contracting currency to prop up the artificial ratio. They drew their attention to the heavy loss involved on the tax-payer by the sale of silver, the average selling rate being much lower than the rate at which silver was purchased. They in this connection

Prew Government's attention to the salutary condition recommended by the Hilton-Young Commission that silver when sold should be replaced by gold. They also deprecated the policy of Government in selling silver belonging to tax-payers of India in London whilst India was steadily importing silver, which involved double freight, insurance. bank commission, etc. The committee protested against the recent contraction of currency at a stroke to the extent of Rupees four crores, which was done to put the Secretary of State, for India, in London with funds. They also drew pointed attention to the unprecedented depression in trade and industries and urged for a full statement of the policy of Government in this regard. Government replied that the Finance Member hoped to make a full statement regarding Government's policy in this regard, shortly.

The Committee sent a telegram to the Government of India Finance Department, on the 9th November, protesting against the further contraction of currency by three crores, the total contraction during the year having gone to 20 crores. They also objected to the raising of the Bank rate from 5 to 7% inspite of the fact that the ruling rate for call money was 2%. In all these they saw a further attempt to prop up the ratio. They in conclusion suggested the necessity of Government reviewing the whole financial position with the help of a selected number of people interested in Banking, Commerce and Industry.

(36) Interview with the Honble Sir George Schuster, Finance Member, Government of India :

The Committee had an interview, with the Hon'ble Sir George Schuster, K.C.M. G., C. B. E., M. C., Finance Member to the Government of India on Monday, the 22nd April, 1929, when the following questions were discussed with him : (1) preparation of indices relating to prices, etc., for the whole of India ; (2) Ratio, (3) Banking Enquiry Committee, and (4) Borrowing policy of the Government of India.

The Committee had another interview with the Hon'ble Sir.

Gegeor Schuster, on Saturday the 14th December 1929 on his return from England.

(37) The Bombay Provincial Banking Enquiry Committee.

The Committee submitted a written Memorandum embodying their views in reply to the questionnaire of the Bombay Provincial Banking Enquiry Committee. In this memorandum they stressed the following four points which were vital to the Banking interests of the Country—

(1) They pointed out that the quickest and the most economic method of developing banking in the country was to associate the existing indigenous bankers more directly with the Imperial Bank.

(2) The second point that they brought out was that it was high time to introduce Gold standard and gold currency in the country.

(3) They represented to the Banking Committee that steps should be taken to make the saving habit of the people developing into indigenous insurance business. In this connection they suggested that restrictions should be placed on the operation of the non-Indian insurance companies.

(4) They suggested restrictions on the operations and further expansion of non-Indian Banks.

Mr. Hooseinbhoy Lalji and Mr. Walchand Hirachand gave evidence before the Banking Committee on behalf of the Chamber.

(38) Interview with Dr. D. B. Meek, Director-General of Commercial Intelligence and Statistics :—

A special meeting of the export-import sub-committee was held on Monday the 2nd December 1929 at 12 noon to discuss with Dr. Meek the provisional Tariff valuations for 1930. Re

presentatives of the various members who had sent in suggestions were present. Dr. Meek took notes of the various suggestions made, and accepted some of them.

(39) Tariff values for Hides and Skins for 1930 :

The views of the Committee were invited by the Director-General of Commercial Intelligence and Statistics on the revised Tariff values for Hides and Skins for 1930. As no suggestions were received from the merchants interested the Committee informed him that they had no objection to the proposed values.

(40) Revision of the list of Cotton piecegoods :

Suggestions re : changes if any in the revised list of imported cotton piecegoods for purposes of assessment of duty were invited by the Director-General of Commercial Intelligence and Statistics. The Committee informed him that they had no modifications to suggest.

(41) Proposed new classification of Sugar in the Trade Returns of British India :

The views of the Committee were invited by the Director-General of Commercial Intelligence and Statistics, Calcutta, regarding the proposed new classification of Sugar in the trade returns of British India so as to bring the same into uniformity with tariff valuations The Committee after consulting the trade interests informed him that they had no objection to the proposed new classification.

(42) Proposed amendment in the tariff-valued head of Cashew or Kajoo kernels :—

The views of the Committee were invited by the Director General of Commercial intelligence and Statistics, Calcutta, regarding the proposed amendment in the tariff valued head of Cashew or Kajoo kernels The Committee in reply informed the Director General that they approved of the proposed amendment.

(43). Proposed additional separate tariff valuation head "SpunCrepe—all kinds" under the general heading Silk piecegoods in the Tariff Schedules :

The opinion of the Committee was invited by the Director General of Commercial Intelligence and Statistics, Calcutta, re: the above addition in the tariff valuation heads. The Committee in reply informed him that they had no objection to the same.

(44) Proposal to introduce a new class of postal articles containing small articles liable to customs duty :

The views of the Committee were invited by the Government of India, Department of Industries & Labour, Posts & Telegraphs Branch, re : the proposal before the Postal Congress held in London in May 1929 to introduce a new class of postal articles containing small articles liable to Customs duty. The main features of the proposed scheme were that (a) the weight of each packet would be 2 lbs. 3 oz., (b) so far as Customs formalities were concerned the treatment of those packets would correspond to that accorded to the parcel post, (c) its postage would be lower than that fixed for the letter post but would be higher than that for the ordinary parcels and the "petit packets" would be posted under the same conditions as to packing etc. as sample packets viz : they would be open to inspection, the administration of destination would be authorised to collect from the adressee an additional fee to cover the cost of additional transport customs formalities and accounting, delivery and warehousing. The view of the Government of India was that the introduction of the new article would in the main benefit industrially developed countries which manufactured small articles of utility, ornament or personal adornment. The proposal seemed, however to them to be of doubtful advantage to India so far as it might affect the development of smaller industries of the country. In view of the possibility of the service being made obligatory on postal administrations the Government of India had asked for a definite expression of opinion on the question. The Committee in reply informed Government that they were not at all

n favour of the new class of article because, they thought, that it would be a handicap to the nascent industries of the country.

(45) Removal of restrictions on duty-free supply of spirituous medicinal preparations (Vide Appendix 83, 488 of the Annual Report of the Chamber for 1928.)

In this connection the Government of Bombay, Revenue Department, informed the Committee that Orders had been issued directing that absolute alcohol shall be treated as a spirituous medical preparation entitled to a concession rate of duty viz : Rs. 5/- per proof gallon when manufactured in Bond, and that the rules for the duty-free supply of spirituous medicinal preparations to recognised hospitals, dispensaries, etc., were also being revised on the lines of similar rules in the Bengal Presidency. The Alembic Chemical Works were duly informed of the same.

(46) Cotton Piecegoods—Tariff examination.

The Committee welcomed the decision of Government to depute Mr. H. S. Hardy, as Cotton Tariff officer, to examine the possibility of substituting a system of specific duties for the existing **Ad valorem** duties on Cotton piecegoods. They wrote to Mr. Hardy assuring him of their co-operation in his enquiries, whenever necessary.

(47) Salt Industry—Reference to the Tariff Board.

The Committee sent a telegram to the Government of India, in the Finance Department, welcoming the reference of the Salt question to the Tariff Board.

(48) Nadiad Municipality and Export duty on Piecegoods:

The attention of the Committee was drawn to a proposal by the Nadiad Municipality to levy an export duty of six annas per Bengali maund of mill cloth. The Committee addressed the Government of Bombay expressing surprise at this proposal. They drew

attention of the Government to the heavy depression through which the cootton Industry of the Presidency was passing. It had been recognised by all that the cootton industry was in need of urgent protection and at such a time the attempt of the Nadiad Municipality to further burden the products of the Nadiad Mills by an export duty should be resisted, and therefore, the Committee requested the Government to veto the proposed export duty.

(49) Import duty on Copra.

At the instance of the Ceylon Merchants Chamber the Committee addressed the Government of India in the Finance Department urging the abolition of the import duty on Copra. This duty was originally imposed to encourage a large production of Indian Copra both for export and for indigenous industry, but inspite of this duty there has not been any increased production and exports also are falling. There was also a scarcity of copra for the oil industry. Besides co-coanut formed an important part of the diet of a large section of the population. The Committee for these reasons urged the abolition of the import duty on Copra.

(50). Imports of Exhausted Cloves :

The Committee drew the attention of the Government of India, Finance Department, to the heavy imports of exhausted cloves. A large portion of these imports, they pointed out, were being mixed with genuine cloves, and the mixture palmed off as quality stuff. They also referred to the harm caused to the health of comsuming public by the increased use of exhausted cloves. They therefore urged in the interest of the genuine clove trade and in the general interest of the comsuming public, the prohibition of iports of exhausted cloves.

(51). Import duty on Dates :

The Committee addressed the Government of India, Finance Department, suggesting that the import duty on dates should be removed. Date was an article of diet to a large section of the

poorer working classes and the removal of the duty would be a great relief to the poor.

(52) Marine Insurance Certificates.—Liability to stamp duty :—

The opinion of the Committee was invited by the Superintendent of Stamps, Bombay, on the question of liability to stamp duty of certificates granteed in connection with Marine Insurance "open" policies. The Committee were of opinion that such certificates executed abroad should be considered as policies as they conveyed to the holder all the rights of a policy and shouldd there fore be liable to stamp duty. They informed the Superintendent of Stamps accordingly.

(53) Extension of the Second Appraisement system to commodities assessed at specific duties.

The opinion of the Committee was invited by the Collector of Customs re : the extension of the scope of Second Appraisement system to commodities assessed to duty at specific rates and on tariff valuations also. The Committee informed the Collector that they had no objection to the proposed extension provided the new procedure did not take up a longer time to complete the necessary Bills of Entries.

(54) Last day of applying for refund of Income Tax-Section 50 of the Indian Income Tax Act.

The Committee addressed the Central Board of Revenue re : the necessity for amending the above section as it left room for ambiguous iterpretation. The Government have agreed to amend the section at the earliest opportunity so as to make its intention clear

(55) Proposed amendments in Rule 3 of the Indian Income-Tax Rules, 1922.

The views of the Committee were invited by the Central Board of Revenue with regard to the amendment of the above

Rule. The Committee informed the Board that they had no objection to the proposed amendment.

(56) Indian Income-Tax Act—Doubts regarding the meaning of sections.

The Committee addressed the Central Board of Revenue urging that where the Income-Tax authorities were in doubt regarding the interpretation of a particular section of the Income-Tax Act; or where there was a ruling of Court which was against the interpretation of the Income-Tax authorities, no action should be taken and that no assessment should be realised in such matters.

(57) Treating professional charges such as fees paid to Accountants and Auditors as business expenses while assessing Income-Tax.

In reply to a communication on the above subject the Commissioner of Income-Tax has informed the Committee that such professional charges will be allowed as business expenses, but that the cost of such audits specially conducted for income-tax purposes will not be allowed for.

(58) Treating Bonee, Chandla and such other small items of charity as Business expenses.

The Committee addressed the Commissioner of Income-Tax, Bombay Presidency, drawing his attention to the fact that at times such sundry expenses as Bonee Chandla, etc., were being added on to the assessable income, notwithstanding the definite assurance of Mr. A. R. L. Tottenham, Senior member, Central Board of Revenue, that such expenses would be treated as Business expenses. The Commissioner of Income-Tax has replied stating that necessary instructions are being issued to treat such expenses as business expenses.

(59) Penalty for arrears of Income-Tax.

The Committee addressed the Commissioner of Income-Tax

pointing out that the penalty of 5 per cent per month on arrears of tax which the Income-Tax authorities were imposing, was an exorbitant one and requesting that greater discretion be used in imposing the penalty.

(60) Income-Tax on profits of Adatias and Agents.

The attention of the Committee of the Chamber was drawn to the practice of Income-Tax authorities fixing arbitrarily the percentage of profits alleged to be earned by Agents and Adatias on behalf of their constituents residing in the Indian States on their purchase for the latter. The committee addressed the Commissioner of Income-Tax drawing his attention to the fact that these Agents and Adatias were simply engaged in buying goods for their Principals in the states and as such they were not themselves making any profits on the transactions. The Income-Tax authorities should consult the trades concerned before fixing the percentage of profit on such transactions. The commissioner of Income-tax has agreed to the committee's suggestion.

(61) Set off of losses in business incurrd in any one year against profits of six subsequent years :

The Committee addressed the Central Board of Revenue emphasising the urgent necessity of providing for such a set off in the Indian Income Tax Act. They observed that the necessity of such a provision was unanimously and repeatedly insisted upon by both the Indian and European commercial communities since several years, and requested Government to be pleased to provide for such a set off at an early date.

(62) Exemption of Brokers & Commission Agents from the operation of Section 42 of the Indian Income Tax Act :

The attention of the Committee had repeatedly been drawn to the fact that the Income Tax authorities invariably insisted upon payment of income-tax by brokers and commission agents on behalf of non-resident principals on the ground that they were their

agents. This was a source of great inconvenience, trouble and harrassment to bona fide brokers and commission agents and was provocative of grave injustice. The Committee therefore addressed the Central Board of Revenue requesting them to exempt bonafide brokers and commission agents from the operation of Section 42 of the Act. They further observed that in the English Act brokers and commission agents were specially exempted and it was only proper that the Indian Act also should be clarified in that respect as suggested.

(63) Proposed amendment in Rule 8 of the Indian Income-tax Rules, 1922 :

The views of the Committee were invited by the Central Board of Revenue with regard to the above amendment. The Committee informed the Central Board that they approved of the same.

(64) New procedure re : refund of income-tax on dividends derived partly from non-taxable sources, under Sections 20 and 48 of the Income-tax Act.

The Committee considered a circular letter from the Government of India laying down the procedure in connection with refund of income-tax on incomes of non residents. Government in their letter observed that in order to meet with various difficulties experienced so far in this regard, they proposed to introduce a system of certificates to get information from the principal officers of the companies re : the percentage of dividends which had been or would be charged to Indian Income-tax. Such certificates would normally be accepted by the Income-tax Officers for purposes of granting the refunds, but the Commissioner had been instructed that if such certificates submitted by any company should be found unfair to the revenue by a margin exceeding, say, 5 percent that Company's certificates should not be accepted as correct in future and that the result of the actual assessment of the Company should be awaited before refunds on its dividends were

granted. The working of the procedure now adopted would be watched closely by the Commissioners who had been requested to submit reports of its result in March 1930. The Committee in expressing their views informed Government that they had no objection to the proposed new procedure as they hoped that Government would reconsider the whole position in 1930 as promised.

(65) Scale of assessment in the suburbs :

The attention of the Committee was drawn to the heavy scale of non-agricultural assessment in the suburbs. As this stood in the way of the proper development of the suburbs, the Committee wrote to the Government of Bombay suggesting the appointment of a Special Committee to inquire into the matter. They also requested their representative in the Legislative Council to take the matter up in the Council.

(66) Companies' Tax by the Madras Municipalities : (Vide Chambers Report for 1926, item No. 44):—

It was brought to the notice of the Committee that the suggestions made by them to the Madras Government in 1926 in connectio with the levy of a tax on companies by the Madras Municipalities were not incorporated in the Madras District Municipalities (Amending) Bill which was before the Madras Legislative Council this year. The Committee wrote to the Southern India Chamber of Commerce requesting them to ask their representative in the Madras Legislative Council to get the necessary amendments effected in the Bi. in the light of the views expressed by the Committee in 1926, viz., that the "income" of a company should be defined as "profit" and not "sales" and that the maximum half yearly tax should be reduced to Rs. 250.

(67) The Hides Cess Enquiry Committee :—

The Hides Cess Enquiry Committee invited the views of the Committee on the questionnaire issued by them. The Committee replied to the questionnaire in detail in consultation with the tanning interests. They suggested the imposition of a cess of 10% on

raw hides in addition to the export duty which they opined should be increased to 10%. They favoured the constitution of a committee to administer the proceeds of the cess. They suggested the following personnel for the Committee:

3 Representatives of tanners.
1 Representative of Chrome tanners.
2 Representatives of Tanned hides exporters.
2 Representatives of raw hides exporters.

They favoured Madras to be the Headquarters of the Committee.

Mr. L. R. Tairsee (President), Mr. Dawar H. Kazi, Mr. Haji Oosman and Mr. J. K. Mehta (Secretary) gave oral evidence before the Committee.

III .TRADE AND INDUSTRIAL LEGISLATION

(68) The Public Safety Bill.

The Committee sent a telegram to their representative in the Legislative Assembly containing their views regarding the Public Safety Bill. They observed that they fully realised the gravity of foreign communist menace and appreciated Government's anxiety to deal with it. They would be prepared to support Government in all legitimate measures for achieving that end. Committee regretted however they could not support present Bill as it stood, because it dealt only with foreign communists and because it contained provisions which were too drastic and arbitrary. Committee would welcome any special measure dealing comprehensively with fomentation of Industrial disorder and providing reasonable safeguards against arbitrary curtailment of liberty of the people.

(69) Bill for Making the offence of Criminal Intimidation Cognizable in times emergency.

(Bill No. XX of 1929).

The Committee accepted the principle underlying this Bill but

were of opinion that its duration should be limited to three years. They instructed their representative in the Bombay Legislative Council to do the needful in the matter.

(70) Bill for Safeguarding Life and Property in the Presidency Area in times of emergency.

(Bill No. XXI of 1929).

The Committee accepted the principle underlying the Bill but were of opinion that some safeguards against the executive abusing the powers vested under the Bill should be incorporated. With this object they suggested to the Chamber's representative in the Council some amendments, and requested him to do the needful.

(71) Workmen's Compensation Act 1923 Amendment of—

The Government of Bombay forwarded to the Committee for expression of opinion the letter of the Government of India, Department of Industries and Labour, regarding the proposed amendments in the Indian Workmen's Compensation Act, 1923. The Government of India observed that as now some experience of the working of the Act was available it was desirable to re-examine the principles underlying the present Act and its important features. The Act was admittedly an experimental measure and many of its features owed their origin more to a desire to minimise the difficulties attendant on the introduction of an entirely new measure than to the belief in their permanent value. The Committee in expressing their opinion observed at the outset that they did not think it advisable to introduce a system of compulsory insurance. With regard to compensation for temporary disability, they suggested that the present maximum of Rs. 15 should be raised to Rs. 25. In regard to permanent total disability the amount of compensation, in their opinion, should be 50 months' wages instead of 42, and the maximum should be Rs. 4,500 instead of Rs. 3,500, whichever was lower in cases where the number of dependents exceeded two. Similarly in the case of death th amount of compensation should be 32 months' wages instead of 30, and the maximum of Rs. 3,000 instead of Rs. 2,500, whichever was lower in cases where the dependents exceeded two. They recommended that the list of

dependents should be enlarged so as to include widowed sister and or widowed daughter provided they were maintained by the party injured. With regard to the suggestion to compel the employer to keep a register of the names of dependents of each of their workmen the Committee were of opinion that it would not be practicable in view of the migratory character of Indian labour. They agreed with the proposal that the Commissioner should be empowered to call upon the employer depositing compensation in the case of fatal accidents to show cause why he should not in any particular case deposit an additional amount sufficient to bring the compensation upto the prescribed sum. They suggested that workmen engaged in such works as dams and tunnels should also come under the Act. The Committee observed that all industries, i.e. industries not coming under the Factories and Mines Act should be excluded from the operation of the Workmen's Compensation Act. Those industries where the nature of business of an employer was of a nomadic character should also be excluded. The same exclusion should also apply to industries where the employment of labour varied with the locality.

(72) Income-tax Act Amending Bill.

The views of the Committee were invited by the Government of India on the Income-Tax Amending Bill as reported by the Select Committee. The Committee offered their views on various clauses of the Amending Bill. The main alteration made by the Select Committee was that contained in clause 4 where it had been sought to arrive at definitions of companies and firms subject to the provision of the Act which would cover substantially those companies or firms which were formed for the purposes of evading the tax and not to rely on mere technical distinctions as had been done in the Bill as originally drafted. The Select Committee had adopted the definitions used in the corresponding English Law for deciding what was a company which was in effect a company in which the public were generally interested as distinct from a company in which one or two persons were interested and which had been formed really for the purpose of evasion of the tax. The Bill had been altered in another important aspect in that it substituted the Board of Referees as the Court of Appeal for the High Court. The Com-

mittee in expressing their views strongly recommended the deletion of Explanation (b) of Section 4 on the ground that conditions prevailing in England did not apply in India and the procedure would be unworkable in practice. They approved of the scheme of Board of Reference referred in Clause 6 of the proposd Act, and appreciated the comments of the Select Committee on the same. They recommended to Government that the whole scheme given in Clause 7 should be approved and that the Indian Merchants' Chamber should have its representative on the proposed panel. They further suggested that in cases where the matter was referred to the Board of Referees, payment need not be made till the decision of the Board was given. They added that findings of the Board with dissenting minutes if any, should be supplied to the parties. They were strongly opposed to Clause 9 as it would interfere very much with the confidential nature of the proceedings. In conclusion, the Committee requested Government to be pleased to submit rules and regulations in that connection to recognised commercial bodies for opinion before they were finally sanctioned by Government.

(73) Extension of the Benefits of the Provident Fund Act to Private Provident Funds:

The views of the Committee were invited by the Government of India regarding Governments' proposals to extend certain benefits of the Indian Provident Fund Act to private provident funds. It was stated that the Government after careful reconsideration had formed the opinion that it would be justifiable to confer upon such private provident funds immunity from income-tax on the subscriptions of individuals and on the interest of securities held by the trustees of a fund provided that the funds were of such a nature that—

(1) The regulations were approved by Government and accounts were open to inspection by the Income-tax authorities;

(2) The subscription of employees cannot be finally withdrawn from the fund except in the event of dismissal, retirement or death or in compliance with the process of law;

(3) The employers' contributions were irrevocable save in the event of misconduct of the employee:

(4) The employer was in no circumstance permitted to forfeit the employees' subscription.

(5) The funds were created as trusts.

Government were however not prepared to extend to such private provident funds all the benefits of the Provident Fund Act. The Committee in offering their views observed that they were sorry to note Government were still not prepared to extend to the private provident funds all the benefits of the Act. They, therefore requested Government to be pleased to extend all the benefits of the Act to the private provident funds.

The Finance Department of the Government of India, furnished the Committee with further details and conditions of the proposal to exempt Private Provident Funds from Income-Tax. As the proposed Bill in this connection was referred to a Select Committee, the Committee instructed their representative in the Assembly to do the needful.

(74) Indian Income-Tax (Provident Funds Relief Act) 1929— Rules under:

The Commissioner of Income-Tax, Bombay, invited the views of the Committee on the draft rules framed under the Indian Income-Tax Act 1929. The Committee after considering the rules suggested some verbal alterations and informed the Commissioner that they were in general agreement with the rules as drafted.

(75) Bill to Amend the Indian Income-Tax Act. (Experts Bill).

The attention of the Committee was drawn to Bill No. 9 of 1929 further to amend the Indian Income-Tax Act, which, among other clauses had a section to amend section 61 of the Income-Tax Act. The amending clause aimed at "prohibiting the appearance in income-tax proceedings of certain undesirable persons who calling themselves income-tax experts impose on assessees." The Committee drew the attention of Government that the clause affected the existence of a large number of income-tax experts who were earning

their livelihood by honest and "bona fide" work. These experts had by their advice and suggestions to their clients been very useful to the business community and the attempt to preclude them from the profession, merely because of the fact that they had no academical qualifications was rather hard. The Committee therefore represented that all those who had been practicing as Income-tax experts for the last three years and over should "ipso facto" be regarded under the section as qualified for working as Income-tax experts. In support of their suggestion, they instanced the precedent regarding practicing Accountants and Auditors being recognised as qualified, when an amendment was made in the Indian Companies Act laying down qualifications for Auditors and Accountants.

(76) Amendment of the Law of Evidence—

The views of the Committee were invited on the proposed amendment to the Law of Evidence so as to provide for certain commercial documents being accepted as "prima facie" correct without formal proof. The Committee replied that they had no objection to Lloyd's Weekly Shipping index, Certificates of the Manchester Ship Canal and Certificates of Chambers of Commerce being accepted as "prima facie" correct, subject to the right of challenging their correctness if parties so desired. They also desired that the commercial community should be consulted before any additions were made to this list of documents.

(77) Sale of Goods Bill.

The views of the Committee were invited on the provisions of the Sale of Goods Bill. The Committee after consulting legal opinion made some suggestions on the various clauses of the Bill.

(78) Proposed Amendment in the Indian Motor Vehicles Act, 1914:

The views of the Committee were invited by the Government of Bombay on the suggestion of the Government of Burma made to the Government of India regarding amendments in the Indian Motor Vehicles Act, 1914, so as to render certain offences under the Act compoundable. The Committee in expressing their views observed

that they were not in favour of the proposed amendments and they were strongly opposed to the Police trying departmentally certain offences under the Act which might be notified by Government time after time. They were of opinion that such offences should be tried by Honorary Magistrates in order to reduce the pressure of work in Courts of stipendiary Magistrates. If the existing number of Hon. Magistrates were not sufficient, the Committee suggested that more Hon. Magistrates might be appointed specifically for the purpose.

(79) Mr. B. Das's Bill to Penalise the use of Pictures of Gods and Goddesses, etc., as Trade Marks:

The views of the Committee were invited by the Bombay Chamber of Commerce regarding Mr. B. Das's Bill to penalise the use of pictures of Gods and Godesses, etc., as Trade Marks. The Committee informed the Bombay Chamber that they recognised the situation likely to be created by the Bill and they would prefer to consider it when the same was introduced in the Assembly and sent to them for opinion in its ordinary course.

(80) Re-introduction of the Indian High Courts Bill in the House of Commons:

The Committee sent a telegram of protest to the Secretary of State for India, through the Government of India, regarding the re-introduction in the House of Commons of the Indian High Courts Bill. They observed that they were deeply concerned that the Indian High Courts Bill should have been re-introduced in the House of Commons, and lodged their respectful but emphatic protest against that part of the Bill which removed restrictions in the way of Civilian Judges of the High Courts being appointed Chief Justices. Such a proposal they observed would, it was feared, lower the prestige of High Courts and undermine public confidence in them. The office of Chief Justiceship should, the Committee urged, be held only by members of the Indian and the English Bars.

(81) Extension of the Provisoins of Order XXX and XXXI rule 5Q of the Civil Procedure Code to Hindu Joint Family Firms:

The opinion of the Committee was invited by the Registrar of

the High Court of Bombay on the representation made by the Bombay Incorporated Law Society to extend the above provisions to Hindu joint family firms. The main contention of the above Society was that the persons holding decrees against firms alleged to be Hindu joint family firms were put to great difficulties and expenses in executing their decrees against the properties of such firms. Under the circumstances, the Society suggested the above extension to such firms. The Committee in reply stated that they appreciated the desire which actuated the proposed extension. They were, however, of opinion that the amendment as suggested would give rise to many complications if it was carried out. The difficulty was that a Hindu joint family firm was not a partnership under the ordinary Contract Act, but stood on an extremely different footing, and thus the above Order could not be made applicable to it without grave injustice to the different coparceners of a Hindu joint family. The Committee were, therefore, of opinion that, if necessary, a new Order might be drafted keeping in mind all the bearings of the question, appropriate to the incidence of a Hindu joint family.

(82) Amendment of Section 18 of the Presidency Towns Insolvency Act, 1909:

The Government of Bombay invited the opinion of the Committee on the suggestion that Section 18 of the Presidency Towns Insolvency Act should be amended so as to confer upon the High Court in Insolvency Jurisdiction to annul or stay insolvency proceedings pending under the Provincial Insolvency Act, 1920, in any court subject to its superintendence in respect of the same debtor, and also to give all necessary instructions for the administration of the debtor's estate in the High Court. The need for such an amendment was felt in view of the prevailing practice of debtors in Presidency towns, retiring to some interior part sufficiently remote and getting an accommodating creditor to present a petition of insolvency against them in the District Court. The Committee replied that they had no objection to the proposed amendment.

(83) Representation of interests concerned before Courts of Enquiry appointed under Section 21 of the Mnies Act, 1923.

The Government of India invited the views of the Committee re.

representation of interests concerned before the Courts of Enquiry appointed under Section 21 of the Indian Mines Act, 1923. Government were of opinion that parties directly interested in accidents in mines should be given an opportunity of participating in the investigations made by the Courts of Enquiry and Government forwarded the following draft rule embodying this view:—

"A Court of Enquiry appointed under Section 21 of the Act shall permit a relative of any person whose death may have been caused by an accident with respect to which an inquiry is being held and the owner, agent or manager of the mine in which the accident occurred, and any person appointed by the order in writing of the majority of the workmen employed at the same mine, and any person appointed in writing by an association of workmen to which the deceased at the time of his death belonged, or by any association of employers in which the owner is a Member, or by any association to which any official of or workman employed in the mines belongs, to attend and examine any witness either in person or by his Counsel, Solicitor, Pleader or Agent subject nevertheless to the power of the Court to disallow any question which, in its opinion, is not relevent or is otherwise not a proper question."

The Committee replied to Government approving the Draft Rule.

IV .STORES PURCHASE.

(84) Tenders for 10 Printing machines of different sizes for the Central Forms Press, Calcutta:

The attention of the Committee was drawn to a tender invited by the Deputy Controller of Stationery, Calcutta, for the Government of India Central Forms Press. The tender was for 10 printing machines of different sizes worth about Rs. 60 to 70 thousand. It was mentioned by the Deputy Controller, Stationery, in his letter to one of the would-be tenderers that a call for tenders was being issued through the Director General of India Store Department, London, to the manufacturers in the United Kingdom. The Committee thereupon addressed the Government of India, Department of Industries and Labour stating that they could not understand why definite instructions were issued to the Director General, India Store Department, London, to invite tenders only from the United King-

dom. So far as the Committee were aware tenders were invited by the India Store Department, London, from countries without any restrictions or limitation. They therefore requested Government of India to be pleased to inform them if there were any special reasons for introducing a change in the procedure regarding the particular case under reference. The Committee also observed that they understood that there was a stipulation with regard to this tender that the tenderers should undertake erection at the Central Forms Press. As generally such a stipulation was not to be found to form part of such tenders, the Committee requested Government to give reasons for such a condition.

The Government informed the Committee that no definite instructions were issued to the Director-General, India Store Department, London, to invite tenders for the purchase of Printing Machines from firms in the United Kingdom only.

As regards the stipulation that tenderers should undertake erection at Calcutta, Government have observed that rule 3 (b) (iii) of the rules for the supply of Stationery and Printing Stores provided for such stipulations

(85) Purchase of Foreign Types by Government of India:

The attention of the Committee was drawn to the purchase of foreign printing types by Government. It was observed that Government purchased about 20 per cent. of the imported types from the United Kingdom through the India Store Department, London, from May 1927 to May 1928. The Committee enquired of Government as to the quantity and value of foreign types purchased by them during the period and reason for same. The Committee in reply were informed that so far as the Central Presses of the Government of India were concerned no purchase of types of English manufacture was made during the last few years. In fact the Controller of Printing had been purchasing all the type requirements for the Government of India Presses from a type foundry in India. Government further observed that they had no information whether any such types were purchased by the Provincial Governments. The Committee thereupon drew the attention of the Government of India to certain orders placed by the Government of

India departments like the Survey of India, the Botanical Survey of India, etc. They pointed out that those departments were under the control of the Government of India and it was but natural that they should also be made to conform to the general policy laid down by Government in regard to the purchase of stores.

In this connection the Committee also addressed the Provincial Governments of Bihar and Orissa, Burma, Bombay and the Central Provinces, whose various departments had been placing orders for foreign types. They observed that if the Government of India Presses could obtain all the type requirements from an Indian foundry there was no reason why the Provincial Governments could not do the same. They, therefore, requested the respective Provincial Governments to see that in future all their purchase were locally made.

The Committee received a reply from the Government of Bombay stating that a small quantity of type was purchased from England for making matrices for manufacturing the large quantity of types required by the Government Central Press Foundry. They added that strict orders had been issued to officers that as far as possible Indian made articles should be purchased.

The Government of Behar and Orissa in their reply observed that the types in question were of a Special character and unobtainable in India.

The Government of Burma replied that the types purchased were in addition to the forms of types already in use and they were purchased from the same source to obviate mixing of two different forms of types.

The Government of Central Provinces replied that the type purchased was cast on interlocking bodies which could not be manufactured satisfactorily in this country.

(86) Agency work of Indian Port Trusts in United Kingdom:

At the suggestion of the Indian Chamber of Commerce, Calcutta, the Committee considered the feasibility of suggesting to Government to transfer the Agency work of Indian Port Trusts in the

United Kingdom from their present Agents to the High Commissioner for India. The Committee did not go into the question at length as the management of the Port Trusts was likely to be taken over by the Government of India. They however wrote to the Bombay Port Trust suggesting that the Trust should be guided in the matter of its store purchases by the new Store Purchase Rules of the Government of India, viz., that wherever possible stores of Indian Manufacture should be purchased and that purchases from abroad should be on the basis of Rupee tenders.

V GENERAL TRADE AND INDUSTRY.

(87). Interview with the Honourable Sir George Rainy, Member for Commerce and Railways, Government of India.

The Committee had an interview with the Hon'ble Sir George Rainy, K.C.I.E., C.S.I., I.C.S., Member for Commerce and Railways, Government of India, on Tuesday 2nd July 1929, when the following questions were discussed: (1) Tariff Board and its constitution, (2) Railway Rates Advisory Committee, (3) Appropriation of Railway surpluses towards reduction of freight and rates, (4) Insurance Legislation.

The proceedings of the interview were published in full in the press.

The Committee had another interview with the Hon'ble the Commerce Member on Friday, the 13th December 1929 when the following questions were discussed:—

(1). Appointment of Indian Trade Commissioners.

(2). International Convention regarding Trade Barriers and Tariff Holiday.

(3). Employment of Cadets of the Indian Mercantile Marine Training Ship "DUFFERIN".

(4). Publication of the Report of the Tariff Board regarding Chemical Industry.

(5). Revision of the Indian Railways Act.

(6). Heavy capital expenditure on Railways.

(7). Admission of Indians to Commercial Exchanges and Associations in the United Kingdom.

(8). Protection to the Cotton Textile Industry.

(9). Insurance legislation.

and

(10). All-India Accountancy Board.

(88) Interview with Mr. H. A. F. Lindsay, Indian Trade Commissioner in London:

The Committee had an interview with Mr. H. A. F. Lindsay on Friday, the 29th November 1929, when the following questions were discussed:—

(1). Appointment of Indian Trade Commissioners abroad.

(2). Admission of Indians to the Commercial Exchanges and Associations in the United Kingdom.

(3). Popularising Indian goods in the markets of the United Kingdom.

(89) Report of the Indian Trade Mission:

The Committee in forwarding their views on the Report of the Indian Trade Mission, strongly supported their recommendation regarding the proposal to appoint Trade Commissioners at Alexandria, Mombasa and Durban to look after the various trade interests of India, and were of opinion that such Trade Commissioners should in all cases be Indians. With regard to establishment of a combined bleaching, dyeing and printing plant to manufacture suitable printed and dyed goods to serve the needs of the Near East and Eastern Markets, the Committee approved the same, but in case it was not found feasible to establish such a comprehensive plant, they urged that at least a fully equipped Central Printing factory should be established in Bombay. With regard to the import duty on picegoods in vogue in East Africa and Iraq, the Committee observed that as the same was based on weight it adversely affected the Indian piecegoods imported there, the bulk of which was coarse and as

such had to pay a much higher duty than fancy and other goods coming from other countries. They, therefore, urged that the duty in those countries should be based on an ad valorem basis, and requested Government to be pleased to move in the matter without any delay.

(90) Appointment of Indian Trade Commissioners abroad:

The Committee addressed the Government of India on the above subject. They urged their view that making an insignificant start with one or two Trade Commissioners and then increasing it to five or six within next five years, as was contemplated by Government, would not satisfy the Indian commercial community. The plea of want of finance was, having regard to the importance the commercial community attach to the matter, frivolous. They further emphasised the need for appointing of Indians and Indians alone as Trade Commissioners. They made it quite clear, that if it was the intention of Government to appoint non-Indians as Trade Commissioners, the Indian commercial community would rather go without Trade Commissioners than have India represented in foreign countries in commercial matters by a personnel other than Indian.

Subsequently at an interview with the Committee the Hon'ble Sir George Rainy, Member for Commerce, Government of India, informed the Committee that Government proposed to appoint three Trade Commissioners to start with and to increase the number to six after a year. He also assured the Committee that as far as possible Indians would be appointed.

(91) Interpretation of the Indian Companies Act, 1913, re: holding of ordinary general meeting of Companies.

The following circular letter was received from the Registrar of Companies, Bombay, on the above subject, which was circulated among the members of the Chamber for information:—

"I have the honour to request you to place the letter before your Committee.

2. A Company registered in Bombay held its last annual general meeting in November 1927 at which the Balance Sheet for the year ended June 1927 was presented and passed. The Company

held no ordinary general meeting in the year 1928 but proposed to hold a general meeting in February 1929 at which the Balance Sheet and Accounts for the year ended June 1928 will be presented. On my intimating to the Managing Agents that I proposed to prosecute them for controvention of Section 32, 76 and 131 of the Indian Companise' Act, they produce to me a letter from a firm of Solicitors of many years standing to the effffect that if they held the annual meeting in February 1929, i.e., within 15 months of the last annual general meeting, the law would be complied with.

3. I do not agree with the advice given; quite apart from the interval of 15 months there is provision in each of the Sections 32, 76 and 131 that the Balance Sheet is to be prepared and tne meeting held "once at least in every year" and by virtue of the General Clauses Act, Sections 3 (59) "year" means year reckoned according to the British Calendar so that in the case stated above, the Company has contravened the Sections by not holding its meeting and presenting its Balance Sheet in 1928.

4. I have refrained from prosecuting in the case mentioned as the Company was acting on legal advice and undertook to hold a second meeting in 1929 to pass the Accounts for the year ending June 1929, but I should not be prepared to do this in future cases and I have to suggest that a note as to the proper construction of the Sections in question should be circulated among your members."

(92) Liquidation proceedings and windnig up of Companies in India:

The Committee addressed a representation to the Government of India, Home Department, regarding the position that existed at present under the Indian Companies Act 1913 with regard to Jonit Stock Companies in liquidation. Under the present conditions what actually happened was that even in cases where grave irregularities and even misappropriation existed if there were no funds in the hands of the official Liquidator and no creditor or shareholder came forward to deposit or guarantee costs no action was taken against the supposed culprits. In the English Companies Act recently passed a special Section was incorporated wherein a provision was made for prosecuting past and present directors, managers and other officers or

members of the company in compulsory or supervision winding up who were guilty of any offence in their relation to the Company for which they were originally liable on application of any persons interested in the winding up or by the Court of its own motion. The Committee were of opinion that a similar provision should be inserted in the Indian Companies' Act and they considered that under the special conditions prevalent here in India the Liquidator and the Court should have even greater powers. The Committee suggested that the question might be taken in hand at an early date though Government might be contemplating to bring up the question of more exhaustive amendments to the Indian Companies' Act following the English Companies' Act. Government in reply informed that the views of the Committee had been noted.

(93) Control of foreign match companies working in India:

The attention of the Committee was drawn by a member to the unchecked activities of the Swedish Match Trust detrimental to the indigenous concerns. The Committee addrsesed the Government of India, Department of Commerce, emphasising the desirability of registration and control of foreign match companies working in India. They particularly pointed out the instance of the Swedish Match Trust, which they understood had not been brought under such a control. They therefore requested Government to be pleased to see that all foreign match companies working in India should be brought under control as recommended by the Indian Tariff Board, at an early date.

Government in reply informed the Committee that they would be glad to have their attention drawn to the provisions of the Law under which it was suggested that action should be taken to ensure the registration under the Indian Companies' Act of all foreign match companies working in India. The Committee thereupon in reply stated that Government could very well be guided by their legal experts as to under what section or sections of the Companies' Act they could ask the foreign match companies to get themselves registered in the country. If there was no such specific provision in that behalf the Committee suggested considering the importance of the subject, the amendment of the Companies' Act so that cases like the one under

reference might be included. What the Committee were anxious about was that recommendations made by both the majority and minority reports of the Indian Fiscal Commission and the policy accepted by the Government of India themselves regarding conditions under which foreign enterprise should be allowed to work in India, should now be acted upon.

(94) Prospectus of the Western India Match Co.:

The attention of the Committee was drawn to the fact that certain requirements of Law as to the filing of the prospectus and the particulars it should contain were not observed by the Western India Match Co. in inviting the public to take shares in the Company. The Committee wrote to the Company in the matter, showing how certain relevant and material information has been withheld from the prospectus published. Though the Company replied to the Committee saying that all requirements of law had been complied with, they understand that the Company had decided "in order to avoid any possible question, not to allot shares in respect of the applications received," as their attention was drawn to certain technical defects in the prospectus.

(95) Proceedings of the Advisory Committees of the Commerce and Industries Departments of the Government of India

The Committee requested the Chambers' representative in the Legislative Assembly to take steps to get the proceedings of the Advisory Committee of the Commerce and Industries Departments published just in the same way as the proceedings of the Standing Finance Committee and the Standing Railway Committee are published.

(96) Commercial Treaties with Foreign Powers.

The attention of the Committee was drawn to the fact that before entering into any commercial treaties with Foreign Powers, Government had not so far thought it necessary to consult the Commercial interests in the matter. The Committee addressed the Government pointing out that such treaties affected commercial interests vitally and therefore urged that before entering into any such treaties

Government should first consult the Federation of Indian Chambers of Commerce in the matter.

(97) Certain Customs practices at Jamnagar and Bedi Bunder:

The attention of the Committee was drawn to certain facilities allowed by the Customs authorities in Jamnagar and Bedi Bunder to importers through those ports. The alleged facilities were: (1) that duty on sugar was being collected at Jamnagar three months after and at Viramgam six months after the consignments had actually been cleared; (2) that an allowance of 3 lbs. per bag was made at the time of assessing the duty on Sugar bags; (3) Sugar candy and Boora sugar were being allowed free of duty on the plea of being manufactured articles. The Committee drew the attention of the Central Board of Revenue to these alleged practices.

Subsequently at an interview with the Finance Sub-Committee of the Chamber, Mr. A. H. Lloyd, Member, Central Board of Revenue, promised to make enquiries in the matter.

(98) Interview with Mr. A. H. Lloyd, C.I.E., I.C.S., Member, Central Board of Revenue:

The Committee had an interview with Mr. A. H. Lloyd on 22nd November 1929 when the following questions were discussed:—

(1) Charging import duty for excess weight in cotton yarn bundles.

(2) Certain customs practices at Jamnagar and Bedi Bunder.

(99) Appointment of an Indian as Agent to the Government of India to look after the interests of Indian settlers in Trinidad and British West Indies:

The Committee addressed the Government of India stating that in view of the large number of Indians residing in Trinidad and British West Indies, they were of opinion that it was desirable to appoint an Indian as Agent to the Government of India to look after and safeguard their interests in those places. They, therefore,

requested Government to be pleased to see that such an Agent was appointed at an early date. Government in reply informed the Committee that the suggestion made by them was noted.

(100) Formation of a Central Cinema Bureau.

The opinion of the Committee was invited on the question of the formation of a Central Cinema Bureau as recommended by the Indian Cinematograph Committee. The Committee opposed the formation of any such Central Bureau. The Committee at the same time are considering in collaboration with the representatives of the Indian Cinema Industry any alternative scheme which could be suggested to Government.

(101) Incorrect marking of piecegoods sent from India to Bahrein:

The attention of the Committee was drawn by the Political Agent, Bahrein, to the incorrect marking of Indian piecegoods sent there. It was stated that lengths marked 39 yards were found on actual measurement to be 36 yards. He also forwarded a notification issued by the Bahrein municipality regarding the matter which was brought to the notice of the members of the Chamber interested in the trade. The Committee requested the Political Agent, Bahrein, to supply them with fuller particulars on the question so as to enable them to further consider the same.

(102) Restriction on imports into India of cotton seeds for commercial purposes:

The opinion of the Committee was invited by the Government of Bombay re: restriction on imports of cotton seeds into India for commercial purposes. The Committee in expressing their opinion approved of the proposed scheme of restricting the said imports through the port of Bombay alone, and enquired whether Government intended to take any such steps regarding such importation through the ports of Indian States. The Committee were informed by Government that co-operation of maritime Indian States and foreign Possessions in India would be invited in that connection.

(103) Examination of goods at Custom House:

The Committee at the instance of a member sought information

of the Collector of Customs as to the procedure following in examining the quantity of consignments coming through the Customs. They were informed as follows:—

(a). Cargo in bags, bales, baskets, bundles and trusses:	5 per cent. upto 500 or 1 whichever is higher: one per every additional 50 packages.
(b). Cargoes in barrels, cases, casks, crates, drums, etc.	4 pre cent. upto 100 or 1 whichever is higher. One per every additional 50 packages.

(104) Change in Banking hours.

The Committee wrote to the Imperial Bank of India and the Associated Exchange Banks, drawing their attention to the inconvenience and hardship caused to the mercantile community by the change in the Banking hours, and represented that the previous hours of business be reverted to. Both the Imperial Bank and the Associated Exchange Banks replied that it was not considered necessary to revert to the old hours.

In this connection the Collector of Customs, Bombay, invited the views of the Committee to the changes proposed in the working hours in the Customs in consequence of the change in Banking hours. The Committee informed the Collector of Customs that in view of the facts that the Banks were not likely to revert to the old hours, they had no objection to the proposed changes in the hours of work in the Custom House.

(105) Imperial Bank and attestation of vernacular signatures:—

It was brought to the notice of the Committee that the Imperial Bank required vernacular signatures to be attested by a Magistrate under his Court Seal or by two witnesses known to the Bank, and that the signatures of Justices of peace, one of whose main functions was to attest signatures, were not recognised by the Bank for this purpose. The Committee wrote to the Bank expressing their surprise in the matter and drawing their attention to the needless inconvenience

caused by their rules, to ladies and widows in getting their signatures attested by a stipendary Magistrate.

The Bank in consequence altered their procedure in the matter and informed the Committee that they would recognise the attestation of any one of the following:—

(1) A Magistrate under his Court seal.

(2) A Justice of the Peace whose signature is known to the Bank.

(3) One witness known to and approved of by the Bank.

(106) Notification of the Collector of Customs, Bombay, re: attestation of invoices:—

The Collector of Customs, Bombay, issued the following Notice, dated 12th March, 1929, regarding attestation of invoices, which had been circulated among members:—

Subject:—Invoices-attestation of:—

12th March, 1929.

"Instances have been noticed in which documents such as original invoices and freight memos presented at the Custom House for assessment purposes do not bear the signature of the shippers or manufacturers concerned in token of their authenticity or only bear stamped signatures. In the interest of Government revenue, it is essential that documents on which Customs valuations of goods under the Sea Customs Act are based should be properly authenticated before they are admitted by the Custom House. Importers are therefore requested to note the requirements of this Department and to make early arrangements with their suppliers abroad to have all invoices and freight memos duly attested in future. After a period of three months from the date of this notice unsigned or improperly signed documents will be liable to be rejected at the Customs House, but even if they are eventually accepted

on a suitable explanation being furnished to the Customs authorities, importers run the risk of having their clearance delayed, as enquiries will invariably be made regarding the authenticity of the unsigned documents."

(107) Bleached yarn marked 34s./30s. or 34s. grey made up 30s. white:—

The Collector of Customs, Bombay, informed the Committee that a question had arisen as to the admissibility or otherwise under the Merchandise Marks Act of the above trade description of bundles of bleached yarn. The yarn was actually of 34s. but was made up after bleaching into bundles of 30 knots of 10 hanks each instead of 34 knots as usual. The marking was objected to on the ground that it was likely to mislead the buyer as to the count and weight of the yarn. The Collector further observed that he was informed that bleached yarn marked as above was 34s. grey yarn bleached and supplied as 30s. The bundles therefore contained 30 knots of 10 banks each and weighed less than 10 lbs. as 4 knots had been removed. What really happened was that the buyer got correct length of 30s. yarn of a higher count. The marking in effect therefore indicated not the count but the manner in which knots had been bundled and should not, in his opinion, be held objectionable. It was added that no importation of such a class of yarn had been noticed at the Port of Bombay, but as the question was of general application and bore interest to importing houses of yarn, the views of the Chamber were invited on the same. The Committee in reply informed the Collector of Customs that they were inclined to think that if the marking referred to did not go contrary to the rules laid down under the Merchandise Marks Act regarding trade description and was not likely to mislead or deceive the buyer as to the count and weight of the yarn, no objection should be raised. They were, however, of opinion that importers of such yarns should be required to distinctly mark the bundles as "34s grey made up 30s. white".

(108) Complaint from the Political Agent, Bahrein, re: incorrect marking of Indian piecegoods:—

The attention of the Committee was drawn by the Political Agent, Bahrein, to the fact that complaints were received there regarding the incorrect marking of Indian piecegoods imported in that country. The Committee requested the Political Agent to supply them with detailed information regarding the same so as to enable them to consider the matter. The Political Agent shortly afterwards informed the Committee that on enquiry it was found that there seemed to be no justification for the alleged complaint.

(109) Amendment of Clause 12 of the Letters Patent of the Bombay High Court (vide Appendix No. 63, p. 393 of the Annual Report of the Chamber for 1928).

In this connection, the Committee further addressed the Government of Bombay requesting that suits for specific performance of contract for transfer of property and suits for recovery of damages for the wrongful extraction of minerals should also be treated on the same basis as suits for mortgage of immoveable property.

(110) Attraction of Indian capital abroad by concerns made conspicuous by special propaganda: (Vide Appendix No. 92 p. 525 of the Annual Report of the Chamber for 1928).

Government in reply to the Committee's representation in this connection informed that the public had mainly to rely upon the vigilance of commercial associations like the Chamber whose members in their individual and corporate capacity had many opportunities which were not open to Government of gauging the merits of commercial and industrial enterprises abroad. Government further observed that it would not be ordinarily proper for them to make any pronouncement, by way of caution to the public, on the merits of any individual enterprise, and they assumed that that was not what the Com-

mittee had in mind. On the other hand it was pointed out that in the Companies' Act of the United Kingdom provision had been adopted which subjected the regulations inter alia offering of shares for subscription and sale and issue of prospectuses by foreign companies inviting subscriptions for shares for offering shares for sale. The Government of Indiia proposed before long to consider whether it would not be advisable to amend the Indian Companies Act so as to include similar provisions. The Committee in reply emphasised the urgent necessity of undertaking legislation in that direction as soon as possible

(111) Grant of a charter to the Native Share & Stock Brokers' Association:—

The views of the Committee were invited by the Government of Bombay on the question of giving a charter to the Native Share and Stock Brokers' Association on the lines of the East India Cotton Association. The Committee in reply observed that all the rules and regulations of that body were examined only recently both by the Commercial bodies and Government. Under the circumstances, it would be better to wait some time longer to see how the new constitution was functioning and how the working of the Association was appreciated or otherwise by the public.

(112) Scale of fees for private analytical work at Government Chemical Laboratories:—

The Government of Bombay, General Department, informed the Committee that after due consideration of the views of the Bombay Chamber of Commerce and the Indian Merchants' Chamber, Government had been pleased to sanction the continuance of the scale laid down and previously communicated to the Committee.

(113) New Regulations of the Japan Union of Export Hosiery Manufacturers (Vide Appendix No. 90. p. 519 Annual Report of the Chamber for 1928).

In this connection the Consul for Japan, Bombay, in-

formed the Committee that the Japan Union had decided to postpone the enforcement of their "New Chap" rule (1) until the end of December 1929 in the case of socks, (2) until the end of September of 1929 for hosiery goods, and (3) chaps and names of importers or exporters which were well-known and approved by the Japan Union might be used until the end of March 1932 and after that the Rule shall take effect without any exception.

(114) Royal Commission on Indian Labour.

The Government of Bombay informed the Committee that the Chairman of the Royal Commission on labour would be prepared to co-opt with the Commission during its visit to this presidency, two local non-official representatives who would be designated Assistant Commissioners and invited the Committee to nominate one or two gentlemen who could be recommended for being co-opted on the Commission. The Committee recommended the names of Mr. Hooseinbhoy A. Lalji (vice-President) and Mr. Manu Subedar. Mr. Hooseinbhoy Lalji was co-opted on the Commission.

(115) The Questionaire of the Royal Commission on Labour:

In answering the questionnaire of the Commission the Committee did not concern themselves with the various details, as they thought that several groups of members will by themselves have occasion to deal with the technical aspect of the questions, but dealt with it on general lines, confining their observations to broad principles. One of their main reocmmendations was the constitution of a permanent body or Court of Enquiry, with a Judicial man of high standing at the head to whom references of all issues arising between employers and employees must be made compulsory.

They referred to the very backward condition of Indian Labour in the matter of Education and this in their opinion was responsible to a great extent to the lack of any notions of citizenship on the part of labour. They regretted that

Government had not as yet found it possible to meet the popular demand re: Compulsory education. They also referred to the exploitation to which labourers were subjected at the hands of the jobbers.

The Committee regretted that Government in the past had been more or less one-sided with regard to the labour questions. While they had been very prompt re: ratification of International Labour Conventions they had been slow to a fault in dealing with any situation, which arose locally, necessitating Government's intervention either as regards labour disputes or as regards protection to Industries.

The Committee in conclusion objected to any reduction in hours of work.

Mr. L. R. Tairsee (President) and Mr. Manu Subedar gave oral evidence before the Commission.

(116) Interview with the late Mr. Narottam Morarji, the Indian Employers' Delegate to the 12th International Labour Conference:

The Committee had an interview on 6th March 1929 with Mr. Narottam Morarji, on his return from Geneva where he had been as the Indian Employers' Delegate to the 12th International Labour Conference, when Mr. Narottam gave the Committee his experiences of the working and procedure of the International Labour Conference.

(117) Interview with Mr. R. K. Shanmukham Chetty, M.L.A.

The Committee had an interview with Mr. Shanmukham Chetty, M.L.A., on his return from Geneva where he had been as adviser to the Employers' Delegate at the 12th International Labour Conference. Mr. Chetty outlined the procedure followed at the Conference and gave a resume of the work done there.

(181) Employers' Dedelegation to the 13th Session of the International Labour Conference:

The Committee sent a telegram to Government of India protesting against the appointment of Mr. Brown as one of the Advisers to the Employers' Delegate to the 13th International Labour Conference. They urged upon Government the desirability of appointing Indians and Indians alone to represent India at such Conferences.

(119) 13th International Labour Conference—Sir Geoffrey Corbett's Statement:

The attention of the Committee was drawn to a statement made by Sir Geoffrey Corbett, Government of India Delegate at the 13th International Labour Conference. before the Credentials Committee of that Conference that Government had been negotiating with the Indian and European Chambers of Commerce for the last many years with a view to arrive at an agreement between them re: Employers's delegations to the International Labour Conference. The Committee wrote to Government enquiring of them as to what justificationtion their Delegate had for making such a statement.

(120) Questionnaire issued by the International Labour Office re: Hours of Work of Salaried Employees:

The Committee in replying to the above questionnaire objected to any restrictions to the hours of work of employees in commercial undertakings.

(121) Forced Labour—Questionnaire issue by the International Labour Office:

The Government of Bombay invited the views if the Committee on the questionnaire of the International Labour Office re: Forced Labour. In inviting the views the Government asked for their views within a fortnight from the date on which the questionnaire was made available to them. The Committee strongly protested against the unusually short time

allowed to them for replpying to such important communications and expressed their inability to be ready with their reply within the time allowed.

In their reply they expressed satisfaction in nothing that Government through their delegate at the Conference proposed to take a sympathetic attitude re: the prohibition of Forced Labour. They however could not agree to what Government said re: exclusion of Indian States from the operation of any convention that Government may ratify in this connection. In their opinion the fundamental objective of an International Institution as the Labour Conference would be thrown overboard if such a large part of India as the Indian States was allowed to ignore all Labour conventions which had been accepted by practically the whole civilised world. In conclusion the Committee expressed their view that the system of forced labour was wrong, unfair and inequitous and as such public opinion demanded not any tinkering with it like placing limitations or transition periods but total prohibition and that Indian States should not be excluded from the scope of any International Legislation in the matter.

(122) Employers' Delegation at the 14th International Labour Conference:

The Federation of Indian Chambers of Commerce and Industry sugggested the following names for being recommended to Government to represent the Indian Employers at the 14th Session of the International Labour Conference:

Delegate:—Mr. Amrit Lal Ojha, M.L.C.
(Indian Mining Federation, Calcutta).

Advisers:—1. Mr. P. Mukerjee
(Punjab Chamber of Commerce, Delhi).
2. Mr. J. K. Mehta.
(Indian Merchants' Chamber, Bombay).
3. Mr. Ramjidas Vaishya.
(Gwalior Chamber of Commerce, Gwalior).
4. Mr. Ganganand Sinha, M.L.A.
(Behar & Orissa Chamber, Patna).

The Committee accepted the personnel suggested by the Federation and wrote to Government recommending the same.

123 The Federation of Indian Chambers of Commerce and Industry:

The following members were nominated to represent the Chamber at the 3rd Annual Meeting of the Federation of Indian Chambers of Commerce:

Mr. Hooseinbhoy A. Laljee, M.L.C., (Vice-President).
Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., M.L.A.
Mr. H. P. Mody, M.L.A.
Mr. Lalji Naranji, M.L.C.

124 Resolutions to be moved at the 3rd Annual Meeting of the Federation:

The Committee forwarded resolutions on the following subjects for being moved at the 3rd Annual Session of the Federation of Indian Chambers of Commerce and Industry.

(1) Exchange—suggested the formation of a Committee to review the financial position.

(2) Gold Standard.

(3) Abolition of Forced Labour.

(4) Opposition to restriction of hours of work of salaried employees.

(5) Stores Purchase.

(6) Protection to Textile Industry.

(7) Personnel of Indian Employers' Delegation to International Labour Conference.

(8) Merchants Shipping Conference 1929.

(9) Shipping—Coastal reservation.

(10) Insurance.

(125) Representation of the Federation of Indian Chambers of Commerce and Industry on the Ad Hoc Committee re: tanningg industry:

The Committee were requested by the Federation of Indian Chambers of Commerce & Industry Calcutta to suggest the name of a representative of the Federation on the **ad hoc** Committee regarding tanning industry appointed by the Government of India. They recommended the name of Mr. Jamal Mahomed Saib of Madras to represent the Federation on the said Committee.

This recommendation was subsequently accepted by Government.

(126) Representative of Tanned—Hides Shippers on the Ad Hoc Committee to consider the question of an export cess on hides.

The Federation of Indian Chamber of Commerce and Industry invited the Committee to suggest the name of a representative of the Tanned Hides Shippers for being recommended to Government to be appointed on the proposed **Ad Hoc** Committee to consider the question of an export cess on hides. The Committee suggested the name of Mr. Mahomed Ismail, Secretary of the Southern India Hide and Skin Merchants' Association, Madras.

This recommendation was subsequently accepted by Government.

(127) Representation of the Federation of Indian Chambers of Commerce & Industry on the Governing Body of the Council of Agricultural Research:

The Committee were invited by the Federation of Indian Chambers of Commerce & Industry, Calcutta, to nominate a representative of the Federation on the Governing Body of the Council of Agricultural Research. They recommended the name of Mr. Walchand Hirachand C.I.E., to represent the Federation on the Governing Body of the Council.

This recommendation was subsequently accepted by Government.

(128) Representation of the Federation of Indian Chambers of Commerce and Industry on the Central Banking Enquiry Committee:

The Committee were requested by the Federation of Indian Chambers of Commerce & Industry to nominate two representatives of the Federation on the Central Banking Enquiry Committee. They recommended the names of Messrs. D. P. Khaitan and Mr. S. N. Haji. In view of the fact that a majority of the member bodies of the Federation recommended the names of Messrs. Khaitan and Nalini Ranjan Sarkar, the Federation suggested these names to Government, which were subsequently accepted.

(129) Representatives of the Federation of Indian Chambers of Commerce and Industry to the Shipping Conference convened by His Excellency the Viceroy:

The Federation invited the Committee to nominate two gentlemen, not connected with shipping, to represent the Federation at the Shipping Conference convened by His Excellency the Viceroy. The Committee suggested the names of Mr. Kasturbhai Lalbhai and Mr. D. P. Khaitan, which suggestion was subsequently accepted.

(130) Indian National Committee of the International Chamber of Commerce.

The Committee joined the Indian National Committee of the International Chamber of Commerce as an Organisation Member.

Sir Purshotamdas Thakurdas was nominated as the Chamber's representative on the Indian National Committee.

(131) Per cent. more or less Clause.

The Indian National Committee of the International Chamber of Commerce, requested the Committee to give the interpretation their members put on the above clause. The Committee informed the National Committee that the practice

in the Piece-goods trade was that where goods were sold per yard, a margin of 10 per cent. more or less was allowed, while in grain, 10 per cent. more or less quantity was allowed, In ordnary manufactured lines where the articles are specially made to order, the need for such a clause was apparent, but the Committee felt that in the cause of manufactured articles of standard quality and marks and sold under brands of the manufacturers, the advisability of the clause was not apparent. In the case of raw produce, the Committee feared that the clause was likely to be taken advant age of unduly by different parties.

(132) Chamber's Delegates to the 5th Congress of the International Chamber of Commerce held at Amsterdam in June 1929:

The Committee were requested by the Indian National Committee of the International Chamber of Commerce, Calcutta, to nominate their Delates to the 5th Congress of the International Chamber of Commerce held at Amsterdam this year. The Committee nominated Messrs. M. A. Master and N. M. Muzumdar as their Delegates to the said Congress.

VI. GENERAL

(133) Centralisation of Provincial Subjects:

The Committee addressed the Government of India in connection with the tendency on the part of Government to transfer subjects which were provincial to the jurisdiction of the Central Government. They pointed out that such centralisation was against the spirit of the Montague-Chelmsford reforms as a greater devolution of powers of the Central Government to the various Provincial Governments was expected. In support of their view the Committee quoted from the Montague-Chelmsford report and the observations of the Decentralisation Commission. The Committee instanced the cases of the various departments which were being centralised, or proposals for centralising which were afoot, such

as the administration of the Port Trusts, Administration of Roads, Central Agricultural Council, etc.

The Committee pointed out that inroads were thus being made on the sphere of Provincial Governments and if this policy was pursued, the Committee expressed their apprehension that Provincial Autonomy, when it came, would be only in name and Provincial Governments would be in effect bigger Municipalities. The Government in reply informed the Committee that a copy of their representation had been forwarded to the Indian Statutory Commission for such action as the Commission may desire to take.

The Committee in expressing their regret that a copy of the representation should have been forwarded to the Simon Commission pointed out that they had addressed the Government and not the Commission in the matter.

(134) Management of the Victoria Jubilee Technical Institute.

At the suggestion of a member the Committee passed a resolution asking Government to appoint a committee with an Indian Chairman and an Indian Majority to enquire into the affairs of the Victoria Jubilee Technical Institute. They also requested the representative of the Chamber in the Bombay Municipality to move a similar resolution in the Municipality.

(135) Chamber's Commercial Examinations.

There were in all 106 candidates for the Chamber's 1929 examination, 70 for diploma examinations and 36 for certificate examinations. Out of the 70 Diploma candidates 26 were successful and out of 36 certificate candidates 9 were successful. Examinations were held in Bombay, Madras, Calcutta and Ahmedabad.

Two prizes of Rs. 50 and Rs. 30, respectively, were awarded to Mr. H. R. Trivedi (Yajnik's College of Commerce, Ahmedabad), and Mr. M. K. Kantawala (Davar's College of Commerce, Bombay) for standing first and second

respectively in respect of the total number of marks obtained in the examination.

(136) Appointment of Principal of the Sir Harcourt Butler Technological Institute, Cawnpore:—

The attention of the Committee was drawn by a member to the advertisements appearing in the Press in England inviting applications for the post of Principal of the Technological Institute, Cawnpore. The Committee thereupon addressed the Government of India stating that they were surprised to find that advertisements for the above post had been inserted in the press in England while the same, if at all, had not been done prominently in the press in this country. They were of opinion that as a matter of principle such posts should always be held by qualified Indians. They, therefore, requested the Government of India to impress upon the Government of the United Provinces the advisability of appointing a suitable Indian to the said post. The Government of India in reply informed the Committee that the said appointment was entirely within the discretion of the Government of the United Provinces. The Committee in this connection also requested the United Provinces Chamber of Commerce to move the Local Government and inform them of the result thereof. The Unived Provinces Chamber in reply informed the Committee that they had moved in the matter and the result was being awaited.

(137) Establishment of quarantine in Mexico against imports of wheat from India:—

A circular letter was received from the Government of Bombay, Revenue Department, regarding the establishment of quarantine against imports of wheat from India, Japan, China, Australia, South Africa, Italy and Spain and from Illinois, Khansas and Missouri in the United States. Partial quarantine had also been established against the importation of wheat from places other than those mentioned above, and such imports as were made were subject to fumigation by the use of carbon-bi-sulphide in the proportion of 100 grammes per cubic

meter. This information was circulated among the members of the Chamber, interested in the line.

(138) Betterment of Conditions of Agriculturists:—

(Vide Chamber's Annual Report for 1927, item 110, Page 52.)

The Government of Bombay addressed the Committee in this matter asking them to elucidate certain of Mr. Walchand Hirachand's suggestions. The Committee wrote to Government explaining and endorsing the views expressed by Mr. Walchand. Mr. Walchand's suggestions in this connection were: (1) Opening of irrigation roads to all traffic except motor cars and the levy of toll for maintaining the same; (2) use of telegraphic and telephone lines on payments of usual charges, (3) handing over the work of the actual distribution of canal water to the agricultural department, (4) the supply of water for green manuring, (5) doing away with the compulsion for building outlet walls at the cost of irrigator for up-stream supplies, (6) Government giving assurance amounting to guarantees to supply water to irrigators under normal conditions, (7) giving water to those who were prepared to make necessary improvements on lands or in methods of cultivation, (8) Industries or railways of subsequent growth should not get water at the expense of agriculturist, (9) public demonstration for better cultivation, etc., (10) Opening of Agricultural Colleges at Dharwar and Ahmedabad.

(139) Conference re: Sukkur Barrage and Canal Construction Schemes:—

The Committee were invited by the Government of Bombay, Public Works Department, to nominate their representative to attend a Conference to discuss the problems arising out of the Lloyd Barrage and Canal Construction Schemes. The Committee nominated Mr. L. R. Tairsee, President of the Chamber, as their representative to attend the said Conference.

(140) Government Memorandum re: Sind and Lloyd Barrage:—

The Committee considered the Memorandum published by Government re. Sind and Lloyd Barrage. They observed that while details in regard to the estimate of the total expenditure likely to be incurred were given no information regarding the revenue anticipated from the project was vouchsafed. The Committee therefore requested Government to prepare a memorandum giving the asset side of the project, so that the scheme could be considered comprehensively.

(141) Committee proceedings and the Press.

The attention of the Committee was drawn to articles in the "Bombay" Chronicle commenting on certain proceedings of the Committee. As the comments contained imputations against the President, the Committee passed a resolution expressing their resentment in the matter and reiterating their former resolution (quoted) enjoining members to treat the proceedings as confidential.

"Resolved that the attention of the Members of the Committee be drawn to the fact that the proceedings of the Committee meetings shall remain always confidential and that it is highly undesirable that the same should be communicated to the press or otherwise published by any member."

(142) Transference of briefs by Advocates:—

The attention of the Committee was drawn to the new rule 67-A in the High Court Appellate side Rules 1920 authorising advocates to transfer their briefs to other advocates without any authority from the client. The Committee addressed the Registrar of the High Court protesting against the arbitrary authority conceded to the advocates. They pointed out that it was very unjust to the clients who engaged eminent senior advocates at great cost, to be represented by any junior advocate to whom the briefs might under this rule be transferred. without the clients being consulted. The Registrar replied

that this new rule applied only to advocates (formerly pleaders) and not to advocates (original side) who alone were known as Advocates before Bar councils Act of 1926. To this the Committee replied that this in no way minimised the grievance. Transfer of briefs in their opinion in any form should not be encouraged and therefore the Committee represented that the new rule should be rescinded.

(143) Reducing period of imprisonment for non-payment of debt.

The Government of Bombay invited the opinion of the Committee re. the advisability of undertaking legislation to—

(1) order at any time postponement of payment of decree amount or payment by instalments and (2) reduce period of detention in the civil prison in execution of a decree from 6 to 3 months.

The Committee approved of suggestion No. (1), and with regard to (2), they suggested that the time had arrived when confinement for non-payment of debt should be done away with altogether. The Committee, however, added that, if it was not possible to accept their suggestion they had no objection to the proposed reduction in the period of imprisonment.

(144) New Government rules re. mismatched five and ten rupee currency notes:—

Committee received a complaint from one gentleman from Madras, regarding the new rules passed by the Government of India re: encashment of mismatched five and ten rupee currency notes. When the original reference was made to the Committee in 1925 by the Government while framing these rules, they very strongly protested against the proposed changes in the rules. They at the time observed that facilities provided for sending half pieces of currency notes through Post should be continued as the business community found the same very useful and that the proposed changes in the said rules would interfere with the further popularity of currency

notes. They thought that the matter was one for the legislature to take up now, and the party was informed that as and when it was done they would gladly support the same.

(145) Appointment of Additional Hon. Presidency Magistrates by the Government of Bombay during the riots in the City:—

The attention of the Committee was drawn to the fact that the Bombay Chamber of Commerce were approached by Government to forward names of their members who were prepared to act as additional Hon. Presidency Magistrates to relieve the strain on the permanent incumbents during the riots in the City, while they were not approached by Government in that connection. The Committee thereupon enquired of Government why such an invitation was not extended to them, and in the meanwhile sent names of some members who would be prepared to act as Additional Hon. Presidency Magistrates, if called upon to do so. Government, while thanking the Committee for suggesting names for appointment as temporary Hon. Presidency Magistrates, stated that the number of those appointed was sufficient for the present purpose, and that should the need arise for further appointments the names suggested by the Committee would be considered. The Committee thereupon wrote to Government regretting that Government had refrained from giving any explanation as to why the communication addressed to the Bombay Chamber was not extended to them in this connection. Though they had no intimation from Government, Committee understood that the gentlemen whose names they forwarded had been appointed as additional Hony. Presidency Magistrates, and it was somewhat strange that a further communication which was due to them was not received. In view of the fact, however, that the names suggested by them had been accepted, Committee assured Government that they would be glad to co-operate with Government in future, provided an opportunity was given to them. The Committee were informed by Government that no formal communication was addressed by them to the Bombay Chamber in this connection. Govern-

ment, however, welcomed the assurance of assistance by the Indian Merchants' Chamber in the event of any emergency arising in the future.

(146) Grant of Vishram Bag Palace to the Poona City Municipality for locating a museum:—

The Committee supported the representations made by the President, Poona City Municipality and the President, Poona Swadeshi Bazar and Industrial Exhibition Committee to the Government of Bombay re: grant of the above Palace to the Municipality for the purpose of locating a Museum. They observed that in their opinion a good case had been made for a suitable Museum in Poona for serving the industrial and educational needs of the City as well as surrounding districts. The Committee believed that the request referred to above was a modest one and Government should have no objection to acceding to it.

The Government of Bombay, in reply, informed the Committee that it had been decided to use the above Wada for purpose of locating Government offices and therefore the same could not be handed to the Poona Municipality for the purpose of locating a museum. The Committee thereupon addressed Government emphasising the fact that so far back as 1890 the public of Poona had raised some funds for starting an educational and commercial museum and the Municipality and public contributions were made on the understanding that the front quadrangle of the Wada burnt down by incendiaries in 1879 when restored would be utilised exclusively for educational purposes. In view of that definite understanding arrived at since long, the Committee requested Government to be pleased to reconsider their decision and give the Wada or at least a sufficiently large portion of it to the Municipality for the purpose of a Museum.

(147) Proposal to enhance the rate for water supplied by the Bombay Municipality to the Bombay Port Trust.

The Committee were requested by the Bombay Port Trust to support their representation against the proposal of

the Standing Committee of the Municipality to enhance the charge for water supplied to the Port Trust during the financial year 1929-30. The original recommendation of the Municipal Commissioner, it was observed, was that the rate to be charged for water supplied to bodies including the Port Trust should be reduced from annas 14 per 1,000 gallons to annas 12. The Standing Committee, however, passed a resolution that the charge instead of being reduced be increased to Re. 1 per 1,000 gallons. No reasons were recorded in support of that resolution. The Committee strongly supported the representation of the Port Trust in this connection and requested the Bombay Municipality not to increase the charge for water supplied to the Port Trust. The Committee were afterwards informed by the Bombay Municipality that they had resolved to charge the rate of annas 14 per 1,000 gallons instead of Re. 1 as proposed by the Standing Committee.

(148) Issue of Force Majeure Certificates by the Chamber.

A letter was received from Messrs. Bakubhai Ambalal and Co., enquiring whether the Chamber would issue certificates of **force majeure** for goods not shipped during the period of riots in the City. The Committee resolved that such certificates be issued on payment of Rs. 15 each to members and Rs. 25 each to non-members of the Chamber, the period for such certificates to be counted from 6th February to 15th February 1929.

(149) Complaint of the Muscati Cloth Market Association, Ahmedabad, against Ahmedabad Mills, re: shortage in lengths of piecegoods:—

The attention of the Committee was drawn by the Ahmedabad Muscati Cloth Market Association regarding the shortage in lengths of piecegoods manufactured by some Ahmedabad Mills. The Committee were requested to do the needful in the matter. The matter was brought to the notice of the Ahmedabad Millowners' Association. The Committee were afterwards informed by the Ahmedabad Millowners' Association that a resolution was adopted at the

general meeting of the Association strongly requesting their members to enquire into the matter and see that proper checks were maintained in regard to the length of the pieces so that no occasion might arise for such complaints.

(150) Chamber's representative on the Bombay Improvement Trust Committee:—

The period of office of the Improvement Trust Committee having expired in April 1929, the Chamber was asked to nominate its representative on the same for a further period of two years. Mr. Manu Subedar was unanimously re-elected as the representative of the Chamber on the Improvement Committee.

(151) Election of a representative on the Senate of the University of Bombay by the Chamber:—

Under the new Bombay University Act (IV) 1928, the Chamber was given the right of electing one ordinary Fellow of the Senate. Mr. Kapilram H. Vakil was duly elected as an Ordinary Fellow to represent the Chamber on the Senate of the University.

(152) Election of Chamber's representative on the Bombay Municipal Corporation:—

As a result of the election held by the Chamber on 6th February, 1929, Mr. Vithaldas Kanji of Messrs. Vissanji Sons and Co., was duly elected as the Chamber's representative on the Bombay Municipal Corporation.

(153) Public reception to the Rt. Hon. V. S. Srinivasa Sastri on his arrival in India from South Africa:—

The Committee having been invited by the Imperial Indian Citizenship Association, joined the public reception held in honour of the Rt. Hon. V. S. Srinivasa Sastri in his arrival in India on the 16th February, 1929, organised under the joint auspices of several public bodies of the City.

(154) Death of Mr. B. F. Madon:—

The Committee at their Special Meeting held on the 20th June 1929 passed the following resolution expressing their deep sorrow at the sad and untimely death of Mr. B. F. Madon which occurred on the previous day.

"The Committee of the Indian Merchants' Chamber place on record the sense of the deep and irreparable loss to the Chamber in particular, and the country in general, caused by the sad and untimely death of Mr. B. F. Madon, who was a member of the Committee for the past several years, and an ex-Vice-President of the Chamber. Mr. Madon rendered valuable and conspicuous service to the Chamber, the commercial and industrial community and the country in general. His profound economic and financial knowledge was always at the disposal of the public. His relentless, unremitting and persevering fight against the currency policy of Government will ever be remembered as a work of lasting importance to the country. In him the Chamber has lost an able counsellor, a firm advocate and an earnest and selfless worker, whose place it will be difficult to fill. RESOLVED that a letter of condolence to the above effect be addressed to Mrs. Madon.

It was also RESOLVED that in commemoration of the valuable service rendered by Mr. Madon, arrangements be made for getting an oil painting of his prepared and placed in the Committee Room of the Chamber."

The oil painting of Mr. Madon was unveiled by the President on 26th October at the time of the 3rd Quarterly General Meeting.

(155) Mrs. B. F. Madon's present to the Chamber's Library.

Mrs. Madon offered to present to the Chamber all the Books and papers of the late Mr. B. F. Madon in a suitable book-case. The committee accepted the offer with thanks.

(156) The Death of Mr. Narotam Morarjee.

The Committee at their meeting held on 8th November

passed the following resolution expressing their deep sorrow at the sad and tragic death of Mr. Narottam Morarjee.

"The Committee of the Indian Merchants' Chamber have been deeply pained to learn of the death of Mr. Narottam Morarji Goculdas, one of the oldest members of the Chamber and a member of the Committee for several years. Mr. Narottam belonged to a highly respectable and respected family which contributed not a little to the industrial development of the city and was himself connected with several commercial and industrial ventures. His service to the city in general and the commercial community in particular have been many and varied, and his untimely and premature death is felt as a great loss by all the interests concerned.

"(b). A letter of condolence be sent to his son, Mr. Shantikumar Narottam Morarji, and his firm."

(157) Membership of the Chamber:—

At the beginning of the year there were 465 members. 39 members were elected during the year and 30 members discontinued their membership, (18 having resigned, 4 being struck off the rolls for arrears of subscription., 4 having closed their business, and 4 having died). Thus there are now 474 members on the register.

(158) Balance Sheet of the Chamber:—

The statement of accounts of the Chamber for the year with the auditors' report is appended herewith.

THE INDIAN MERCHANTS' CHAMBER.

Dr. *Receipts and Payments Account from 1st January 1929 to 31st December 1929* **Cr.**

RECEIPTS.

				Rs.	a.	p.
To Balance brought forward as per last years' Balance Sheet				35,243	12	7
Capital Fund :—						
		Rs.	a. p.			
39 New Members @ Rs. 100—each		3,900	0 0			
Less payment received last year of 3 Members @ Rs.100—each	300 0 0					
Less admission fee of One Member @ Rs. 100—exempted	100 0 0					
Less admission fee of one Member outstanding	100 0 0					
		500	0 0			
				3,400	0	0
Membership subscription :—						
375 Resident Members @ Rs. 75--		28,125	0 0			
46 Limited Companies @ Rs. 100--		4,600	0 0			
18 Association Members @ Rs.125--		2,250	0 0			
37 Mofussil Members @ Rs.25		925	0 0			
Outstanding realised		2,300	0 0			
		38,200	0 0			

PAYMENTS.

		Rs.	a.	p.
By	Office Establishment, Rent & Insurance	27,387	15	0.
,,	Telephone Rent	370	0	0
,,	Postage & Telegrams	1,381	1	0
,,	Miscellaneous Charges	267	5	6
,,	Subscriptions to Journals and Newspapers etc	1,237	0	7
,,	Stationery	1,921	15	0
,,	Printing Chamber's Reports & Representations.	3,436	6	0
,,	,, Chamber's Journal	2,330	12	0
,,	Commission on advertisements	74	3	3
,,	Carriage Hire	241	2	0
,,	Chairs Hire	57	0	0
,,	Auditors' Honorarium	100	0	0
,,	Furniture & Fittings	48	10	0
,,	Bank Commission	1	8	0
,,	Membership subscription to Federation of Indian Cham. of Com. and Industry	150	0	0
	Do. National Committee of International Chamber of Commerce	33	0	0
,,	Contribution to Indian Chamber of Commerce in Great Britain (Guinea one)	14	8	0
,,	Commercial Examinations (including expenditure as honorarium to Examiners and printing charges of question papers etc.)	1,109	14	0
,,	Cost of books on Economics, Currency & Exchange (from Sir Purshotamdas Thakurdas Entertainment Fund)	44	5	0
,,	Upkeep of Chamber's Library	10	4	0
,,	Book-binding charges	201	8	0
,,	Chamber's share towards expenditure of public meeting to welcome East African deputation	26	11	0

Less :—								
		Rs.	a.	p.				
Subscriptions outstanding ..		2,575	0	0				
Last year's bad debts (5 Members @ Rs. 75 and 1 Member @ Rs. 125) ..		500	0	0				
Subscriptions received last year ..		425	0	0				
					3,500	0	0	
							34,700	0	0
Payment received in advance of one Mofussil Member							25	0	0
Subscription to Chamber's Journal							227	10	0
Advertisements in do.							729	12	0
Fees for issuing Certificates of Origin							590	0	0
Fees for Commercial Examinations							1,382	4	0
Interest on Investments & Current Accounts ..							1,150	8	1
Surplus of B. F. Madon Portrait Fund (for purchase of books)							534	8	0
Sale proceeds of Members' Lists							207	0	0
Do. Syllabus, Commercial Examinations							18	11	0
Do. Q. Papers, do.							12	2	0
Do. Old Newspapers, etc.							16	12	0
Total Rs.							78,237	15	8

,, Repairs to Typewriter, Furniture, etc. ..							149	11	0
,, Deposit account with Government of India, Central Publication Branch, Calcutta ..							49	7	0
,, Office appliances (Typewriters)							525	0	0
							41,169	2	4
Investments & Cash :—									
Capital Fund :	Rs.	a.	p.						
5% Govt. Loan (1945-55) of Rs. 5,000 at cost	5,425	0	0						
5% Municipal Loan (1959) of Rs. 10,000 at cost	8,862	8	0						
In current a/c with Central Bank of India, Ltd.	4,412	8	0	Rs.	a.	p.			
Other Investments:				18,700	0	0			
4% Port Trust Bonds of Rs. 2,000—at cost ..	2,025	0	0						
6% Development Loan of Rs. 5,000 at cost ..	5,000	0	0						
				7,025	0	0			
Cash :									
In current a/c with Central Bank of India, Ltd.	4,870	14	9						
In current account with Bank of India, Ltd. ..	6,398	1	11						
In hand ..	74	12	8						
				11,343	13	4	37,068	13	4
				Total Rs.			78,237	15	8

We have examined the above account of Receipts and Payments with Books and Vouchers of the Indian Merchants' Chamber and certify the same to be correct.

DEVIDAS VITHALDAS & Co.,
Auditors.

J. K. MEHTA,
Secretary.

LAKHMIDAS ROWJEE TAIRSEE,
President.

APPENDICES

(1) TRANSPORT AND COMMUNICATIONS.

APPENDIX I

Views of the Committee on the recommendations of the Indian Road Committee.

No. 2059 dated 9th September 1929: From Chamber to Government of India, Commerce Department.

I am directed to send you herewith the views of the Committee of this Chamber with regard to some of the recommendations made by the Road Committee, whose Report was recently published.

Paragraphs 35 and 36: My Committee appreciate the emphasis laid by the Road Committee on the interdependence of Roads and Railways. The existence of good roads has always proved a feeder to the railways, and it may be stated from experience my Committee have of those matters, that, if the railway systems have not been able to tap the agricultural districts properly and get the full advantage of their lines, it is due to the absence of good roads. My Committee do not think there is any danger, atleast for the present, of road traffic competing with the railway traffic. Motor traction is to a certain extent competing in some Deccan districts and in some parts of Gujarat with railways, but this is not in any way a competition which can be said to have proved detrimental to the revenues of the railways. Motor traction is mostly used as yet for conveying passengers and not goods. The example, therefore, of the United Kingdom or some countries on the Continent, where roads may have been found to be competing with railways cannot be brought forward as an anology in this country. Both with

regard to railway construction and road construction the country is still for all practical purposes in an undeveloped state. It is because of this that my Committee would suggest that railways should be asked to contribute to road construction and even to road maintenance. It will be found that such an expenditure by the Railways will be more than amply compensated by the increase in traffic which is likely to accrue to them from there being good roads leading up to railway stations and running parallel with railway lines.

Paragraphs 57 and 59: My Committee agree that it is but fair that the income derived from the excise duty on motor spirits should go to the development of roads.

With regard to paragraph 55, my Committee are not in favour of any reduction in the import duty on motor cars and spare parts. They beg to suggest that the earnings of duty on spare parts should be reserved for roads.

There is at present an exemption throughout the country for military cars and carriages from the payment of any road cess or toll. My Committee would suggest that this exemption should be removed and the military department also should pay the ordinary duties same as the ordinary citizen. This contention of my Committee is supported by Paragraph 92 of the Road Committee's Report. In fact it appears that the representatives of Army Headquarters also admit that damage is done to roads by military transport and hence it would seem to be not unfair that the cost of repairs which now fell on provincial revenues and local Boards should be reduced by contributions from the Army Budget. Not only will such payments by the Military Department go to recoup the expenditure local authorities may be incurring on the maintenance and construction of roads but it will also serve the purpose of showing the true Army expenditure.

My Committee would favour the abolition of tolls provided local authorities are amply compensated for the loss in this form ofrevenue. They are aware that there is a move in some provinces for the abolition of tolls since sometime past. In the Bombay Pre-

sidency, Government has adopted the policy, more or less of abolishing tolls but it has been latterly found that the local authorities want tolls badly for the purpose of maintaining their roads, It has been now suggested by the Road Committee that a quota might be given to different local authorities from the revenue accruing to the State either Central or Provincial, from the increased excise duty due te motor spirit. My Committee doubt very much whether this particular revenue can be so very equitably and fairly adjusted as to absolve local authorities from the necessity of finding out money for road repairs. It would be better on the whole to allow to levy tolls specially for roads which require heavy repairs and the maintenance charges of which are beyond the capacity of an ordinary municipality or local Board. Government will have their scrutiny of every such case submitted by local authorities.

Paragraphs 84 and 85: My Committee agree with the main Report of the Road Committee regarding the question of road finance and not with the recommendations of the Touring Sub-Committee

My Committee approve of the suggestion made by the Road Committee in Section 96 sub-para. (b) (10) that there should be a Standing Committee of the Indian Legislature for roads, but they would like to emphasise that the members of the Committee should have the privilege of initiating discussion on various points. It has been found that the various Standing Committees attached to different departments are not taken so much into confidence by Government as is necessary and advisable and in some cases no meetings are convened for months together. My Committee, therefore, urge that at least four meetings a year of the Standing Road Committee should be convened when it is formed.

No: 2123 dated 14th September 1929.

In continuation of the letter addressed to you by my Committee dated the 11th September 1929, No. 2059, I am directed by them to bring to the attention of the Government of India that they are not in favour of any centralisation of the Roads Department. Roads are a Provincial subject and it is the opinion of my Committee that

they should remain a Provincial subject, not only in the interest of transport but also in the general interest of the country. The Indian Road Committee while considering that a separate Roads Department in the Government of India is unnecessary and undesirable, expressed the opinion that a Road Engineer in the Government of India should be attached to the Department that dealt with roads and that the Government of India should consider the recommendations of previous committees that all matters relating to communications and transport should be dealt with by one department. There may be questions here and there, specially the proposed new tax on patrol to be used as a subvention for roads which would claim the attention of some department of the Government of India. This does not and should not necessitate, however, the roads question, as such being centralised. Provincial Governments are doing as best as they can with regard to roads, bearing in mind their depleted finance and the general depression which is prevalent everywhere. My Committee fear that if the Roads Department is centralised the position of roads will be much worse than what it is. As matters stand at present agriculturists can at least approach the District Local Board or Taluk Board for the repairs of roads which serve them, but if roads are transferred to the Government of India it will be impossible for people to approach them for their wants and requirements. It is true that Railways and roads are cognate subjects, but this is no reason why roads should be transferred from the jurisdiction of Provinces to that of the Government of India.

Under these circumstances, my Committee hope that the Government of India will be pleased to continue the roads as a Provincial subject.

APPENDIX II

Interview with Mr. P. R. Rau, Financial Commissioner for Railways, Government of India.

Speech of Mr. L. R. Tairsee, President, Indian Merchants' Chamber, at the time of the interview of Mr. P. R. Rau, Financial

Commissioner for Railways, Government of India, with the Committee of the Chamber, on Thursday, the 30th May 1929.

MR. RAU,

On behalf of the Committee of the Indian Merchants' Chamber I have pleasure in welcoming you this morning in our midst, and this pleasure is enhanced by the fact that you are the first Indian Financial Commissioner for Railways. We very much appreciate your courtesy in informing us of your visit to Bombay, and enquiring of us that if there were any matters we desired to exchange views with you to come a day earlier than you intended. For this my Committee are obliged to you.

My Committee have had for sometime past no opportunities of placing some of the railway questions before a responsible Officer of the Government of India, and they are, therefore, all the more glad to take benefit of this opportunity of meeting you to discuss them.

Kalyan Power House Scheme.

The first question to which we would like to refer is the Kalyan Power House Scheme, which was started, inspite of the fact that in the Tata Hydro-electric Power Company there was available ready at hand a sufficient source of supply. It being so, it was hardly necessary to start a new Government scheme at high capital cost. The indigenous industry naturally expected to benefit by the demand created by electrification of part of the G. I. P. Railway system, and the natural hopes they had of getting this business. It can, therefore, be well realised how much the public was chagrined to note that inspite of the available supply, and contrary to the opinion of the Standing Finance Committee (Railways) the scheme was taken up by the Government. From the commercial point of view the scheme did not offer any inducements on the question of cost per unit, as the original Government estimate was ·665 anna per unit against the price quoted by the Tatas, viz., ·633 anna per unit Thus the price quoted by the Tatas was, in the first instance, cheaper, and much more so now that the revised figure given by Mr. A. A. L. Parsons on the 27th February last in the Assembly is ·695 anna

per unit. Apart from the question of price, which is very important, it will be seen from replies given by Mr. Parsons to Sir Purshotamdas Thakurdas in the Legislative Assembly on the 27th February 1929 that the original estimates have not held good, and we shall like to be informed what the real position to-day is, as Mr. Parsons assured the Assembly that a detailed statement will be prepared and laid on the Table of the House at a suitable opportunity. We shall be glad if the said promised figures are now made available. My Committee have all along felt that it was not necessary for Government to have taken up the scheme of Kalyan Power House at all, nor it appears that apart from other considerations it is a business proposition even now. We should therefore, like to know what the real situation is to-day, and would enquire whether Government do not think it desirable to reconsider the whole question before going further into it. There is another important point of view from which it may be advantageous to Government to review this enterprise of theirs in the light of the curtailment of capital expenditure on which the Hon'ble the Finance Member is keen. We understand that this Power House which was estimated to cost Rs. 97 lakhs has already cost more than Rs. 1½ crores. It may go to a crore and a half, and it is a matter for consideration whether Government of India would not prefer to utilise the cheaper power available to them from the Tata Hydro-electric group and stop this further capital expenditure.

Relief to Industries from Railway Earnings.

It has been a standing grievance of the indigenous industries that the railway rates policy of Government regarding raw materials and finished products is far from satisfactory. A few years back when any reduction in the rates was asked for by the indigenous industries, Government pleaded that the railways were hardly able to make both ends meet. Since the last 4 or 5 years, however, there has been a steady increase in the earnings of the Railways, and a certain percentage of profit is transferred to the General Revenues and a certain percentage is also kept for Reserves, depreciation and other charges. The relation between the General and Railway Finances no doubt is beset with complexities, but we venture

to think that the claims of industries of the country for help in the shape of reduction in present rates, which constitute a great burden on them, call for first consideration, especially when earnings of Railways show a decidedly upward tendency. We would therefore like to be assured that the Railway Board will be pleased to give its best and sympathetic consideration to this longstanding grievance, and that the rates are not kept higher than really called for and that the Railway surpluses go to reduce rates and thus benefit industries which, in their turn, will give the Railways larger turnover.

Reduced Coal Freight.

On the 22nd March last the Hon'ble Sir George Rainy, Member for Commerce and Railways, informed Sir Purshotamdas Thakurdas in reply to his question in the Assembly that the revised coal freight would come into operation most probably from the 1st of May. As no definite official information was, however, available to the commercial community, my Committee enquired of the Railway Board by wire as to the exact date from which the revised rates would come in force, and emphasised that it was highly desirable that the revised rates should not be delayed any longer. The anxiety of the various parties interested in this reduction can very well be imagined, and we are informed that some coal merchants have entered into contracts on the basis of the promised reduction. On the 13th instant the Railway Board informed us that the reduced coal freight should be introduced as soon as possible, and added that it was anticipated that the preliminary work in connection with the introduction of this scale would have been completed in time for the revised rates to be introduced about the 1st of May, but that was not found possible. We are told that the Railways concerned are making every endeavour to give effect to the Railway Board's wishes in the matter, but they are not in a position to say definitely from what date the change would be made. This state of uncertainty is naturally causing anxiety to various industries which are clamouring for coal at reduced prices. We are also informed that a large number of orders are being held in view of the impending reduction in rates. Now that the month of May is ending, we would press for introduction of the revised rates in shortest time possible.

Treatment of Passengers by Barsi Light Railway.

Recently our attention has been drawn to the almost inhuman treatment meted out to thousands of pilgrims going to Pandharpur who travel third class on the Barsi Light Railway. In this connection we would like to refer you to a letter written by Mr. M. P. Kinny, Retired Deputy Collector, which appeared in the "Bombay Chronicle" on the 13th May, enumerating the various sufferrings and hardships of the passengers on that Railway. The main grievances are that the Railway does not provide enough coaches to convey the pilgrims, and most of them are taken in open metal wagons which, it is alleged, were constructed for coal traffic. Further in these wagons the pilgrims are herded like cattle, and as the Railway hardly keeps to the scheduled time table, the passengers are put to great trouble and inconvenience. The number of pilgrims travelling by that Railway is considerable and large. The Barsi Light Railway has been known to declare large dividends, and it is, therefore, all the more surprising that the Railway authorities should be so careless and indifferent regarding the convenience of the passengers. We would like to know whether this fact has been brought to the notice of the Railway Board, if not, we take this opportunity of apprising you of the real state of affairs, and would like to be enlightened as to the action proposed to be taken by the Board in this connection.

Reply of Mr. P. R. Rau, Financial Commissioner for Railways, at the time of his interview with the Committee of the Indian Merchants' Chamber on Thursday, the 30th May 1929:--

Mr. Rau in reply observed that he had great pleasure in meeting the Committee this morning and he appreciated very much the kind reference made by the President to him. He said that he did not expect that he would be called upon to make a speech on the occasion.

With regard to the introduction of the reduced coal freight he was sorry that it had taken a somehwat longer time than expected to bring into force the revised rates of freight for coal but the various railways required some time to prepare the new Schedule accord-

ing to the revised rates. He was, however, glad to be able to inform the Committee now that the revised rates would be introduced from the 1st of June.

Mr. Rau was sorry that he could not give a definite reply with regard to the complaint against the Barsi Light Railway. The Railway Board has no control over the management of the Barsi Light Railway, except in so far as the Indian Railways Act applied to it. They were, however, taking up the matter with that Railway and hoped that some steps could be taken to improve the situation.

The question of giving relief to the indigenous industries from the Railway earnings, Mr. Rau informed, was one of the questions which would be considered by the Committee appointed by the Legislative Assembly to review the separation of Railway Finance from General Finance. That Committee would go into the question of allocation of Railway surpluses in various ways and the question under reference would doubtless receive due consideration at their hands. He further observed that the Railway Board fully realised the importance of keeping passenger fares and goods freights as low as possible.

Coming to the Kalyan Power House scheme, Mr. Rau said it was unfortunate that the original estimates submitted to the Standing Finance Committee had to be revised. He gave them a copy of the statement laid on the Table of the Assembly on 2nd April 1929 comparing the present estimated cost of the Kalyan Power House scheme with the original estimate placed before the Standing Finance Committee.

Item No.	Original estimate. Rs.	Revised estimate. Rs.
1. Steel buildings, cranes, pipework, boilers, fuel handling plant	33,34,200	37,51,530
2. Turbo-alternators and transformers	20,63,400	21,65,660
3. Switchgear, internal cabling and accessories	9,18,000	12,31,036

4.	Spare parts	2,08,070	2,09,307
5.	Preparation of site, foundations, brick and concrete work, circulating water ways, etc. ..	26,36,000	47,03,955
6.	General Charges	5,80,750	6,19,500
	Total ..	97,40,420	1,26,80,982

Mr. Rau pointed out that the revised estimate came to about Rs. 1,27 lakhs, but he had been informed by the G. I. P. Railway authorities the same day that the detailed estimate would be about Rs. 1,32 lakhs instead of Rs. 1,27 lakhs. He had no reason to doubt that this figure would be more or less accurate in view of the fact that the scheme had practically been completed. The price per unit was now estimated at ·695 annas falling to ·617 annas with an increase of 30 per cent. consumption which was expected within 7 years, as compared with Tata's flat rate of ·633 annas per unit. Mr Rau pointed out that price was not the only consideration for the decision to construct the Kalyan Power House. Other important considerations were :

1. Priority to railways for supply of Electric Energy which Tata's were not in a position to give.

2. Security of transmission lines. With regard to estimate re-site, foundations, etc. of the scheme, Mr. Rau observed that Kalyan had been found unsuitable and the site had therefore to be removed to Chola which was partly responsible for the increase in the original estimate. He observed that any how it was not possible nor advisable to stop the scheme at this stage.

Then a general discussion ensued in which Sir Purshotamdas Thakurdas, Sir Chunilal V. Mehta and Mr. Walchand Hirachand took part;

After the President had again thanked Mr. Rau for the interview, the meeting terminated.

APPENDIX III

Station to Station rates for matches quoted by the G.I.P. Railway from Ambarnath and Kurla and Rates for timber · From Chamber to Railway Board No. 647-16-3-1929.

I am directed by the Committee of this Chamber to address Government on the above jubject as under :—

From the replies given by the Hon'ble Member for Commerce in the Assembly on the 28th January 1929 to questions of Mr. M. S. Sesha Iyengar it appears that the G. I. P. Railway quotes special station to station rates for safety matches from Kurla where an Indian match factory is situated and Ambernath, the location of the Western India Match Company, but that all the station to station rates from Ambernath have not been made applicable to Kurla. My Committee think that such station to station rates from Ambernath and Kurla act adversely on many of the indigenous match companies, such as those placed at Andheri, Santa Cruz etc., as it would not pay them to have their consignments first conveyed to Kurla to enable them to take advantage of these rates. The action therefore, of the G. I. P. Railway, in the opinion of my Committee, is in the nature of an indirect concession to the Western India Match Company. It may be mentioned that the Kurla Factory is not a big Factory. My Committee are of opinion that the Railway should not be allowed to give preferential treatment either directly or indirectly which is bound to harm the other indigenous and competitive concerns. I am, therefore, directed by my Committee to request Government to take up the matter with the Agent of the G. I. P. Railway and remove the legitimate grievance of the Indian Match Manufacturers.

From Railway Board to Chamber No. 2338-T d. 10-6-1930.

With reference to your letter No. 647, dated 16th March 1929, I am directed to state that the special rates quoted over the Great Indian Peninsula Railway for matches, safety booked from match-factory stations, viz., Kurla, Ghat Kopar, Titwala and Ambernath, are on the same basis as the rates quoted by the Bombay Baroda

and Central India Railway from their match-factory stations, viz., Bandra, Andheri and Borivli, and are intended tto prevent a diversion of traffic from Great Indian Peninsula Railway Stations to the Bombay Baroda and Central India Railway, and the Agent of the Great Indian Peninsula Railway states that there would be no objection to quote the same rates from via Dadar.

2. I am to say that, if the Chamber have reason to believe that the rates at persent applicable from via Dadar to stations on the Great Indian Peninsula Railway are affecting the match factories over the Bombay Baroda and Central India Railway adversely, a representation to the Railway Administration concerned, either from the Chamber or from the firms interested, will, the Railway Board have no doubt, receive sympathetic consideration.

From Chamber to Railway Board No. 1546- d-15-7-1929.

I am directed to acknowledge receipt of your letter No. 2338-T., dated 10th June 1929, and observe that my Committee are glad to note that the special rates quoted over the Great Indian Peninsula Railway for matches, safety, booked from match-factory stations, viz., Kurla, Ghat Kopar, Titwala and Ambernath, are on the same basis as the rates quoted by the Bombay Baroda and Central India Railway from their match-factory stations, viz., Bandra, Andheri and Borivli, and are intended to prevent a diversion of traffic from Great Indian Peninsula Railway, and that the Agent of the Great Indian Peninsula Railway states that there would be no objection to quote the same rates from via Dadar.

My Committee, however, would like to draw the attention of Government to the question of freight on logs required for the manufacture of splints and boxes. A considerable quantity of soft wood logs is obtained from the Central Provinces and Bhor Ghat. The Great Indian Peninsula Railway, my Committee understand is giving special freight rates to Ambernath and Kurla, Ghat Kopar and Thana match factories. There are other match factories on the B. B. & C. I. Railway lines at Santa Cruz, Andheri and Borivli which do not get the benefit of the said special freight rates.

My Committee trust that Government will realise that this is a legitimate and just grievance of the Match factories on the B. B. & C. I. Railway. My Committee beg to suggest that in order to redress the same, Government should insist on the G. I. P. Railway to extend the concession to match factories on the B. B & C. I. Railway by quoting similar freight rates vis Dadar.

From Railway Board to Chamber No. 2338-T d-21-8-1929.

With reference to your letter No. 1546, dated 15th July 1929, I am directed to suggest that the point raised in the second and third paragraphs thereof is one which might, in the first instance, be referred to the Agent, Great Indian Peninsula Railway or in the alternative, the match factory companies who desire special rates for logs consigned to them to be quoted on the same basis as for logs booked to other match factories might be advised to address the Agent, Great, Indian Peninsula Railway direct.

From Chamber to G.I.P. Railway No. 2040-D d-9-9-1929.

I am directed by my Committee to address you on the above subject as under:—

My Committee understand that a considerable quantity of soft-wood logs used for splints and boxes required for the manufacture of matches is obtained from the Central Provinces and Bhore-Ghat. Your Railway, the Committee are informed is giving special freight rate on these logs to the Ambernath, Kurla, Ghat Kopar, and Thana Match Factories. My Committee would like to point out that there other match factories on the B. B. & C. I. Railway line at Santa Cruz, Andheri, Borivli to which the same facility could be extended by quoting similar rates via Dadar.

My Committee hope that you will realise that this is a just and legitimate claim and that you will accordingly extend the concession to match factories on the B. B. & C. I. line by quoting reduced rates via Dadar.

From G.I.P. Railway to Chamber No. Rc 4/315 d-2-12-1929.

With reference to your letter No. 2040 dated the 9th September 1929 to our Agent, I have the honour to inform you that at the instance of the Match Factories situated on the B.B. & C.I. Railway, the rates quoted for stations on this Railway such as Kurla, Ghatkopar etc., for match factories situated at these stations have been extended to traffic booked to the match factories situated on the B. B. & C. I. Railway provided that the necessary certificate is produced at the time of despatch. This arrangement has been approved of by these match factories as they find it cheaper to take delivery of the consignments at Kurla and take the traffic to the factories by motor lorries.

APPENDIX IV.

Lee Concessions to Officers of the Principal Indian Railways.

No. 956 dated 30th April 1929 from Chamber to the Agent, B. B. & C. I. Railway.

My Committee have been informed that recently three officers of the B.B. & C. I. Railway, who were in the Indian cadre of your Railway service, have been transferred to the European cadre and that they have been given all the privileges and concessions with regard to free passages, higher scales of pay, etc. with retrospective effect. All these 3 officers, it is said, entered the railway service on Indian scales of salaries and rose upto the Junior Officer grade after a lapse of some years. They were Anglo-Indians. Recently, however, all these 3 officers were suddenly recognised as Europeans and considered, as such, to be entitled to the different concessions under the report of the Lee Commission. The result is, if the information supplied to my Committee is correct, that large amounts of money have been sanctioned as equivalent to the increase due to them with retrospective effect, their salaries have been increased and they are to get passage allowances. My Committee will be greatly obliged if you will be kind enough to inform them as to the details of these appointments, and

whether these 3 officers have been transferred from the Indian cadre to the European cadre of the railway service. My Committee would also like to know if there have been any other cases in which such a transfer has taken place and also if the sanction of the Government of India had been obtained with regard to such appointments and transfers. I am directed to draw your attention to Paragraph 57 of the Report of the Royal Commission on the Superior Civil Services in India, known as the Lee Commission, wherein it is stated:—

> "57. We consider that in principle the concessions proposed for members of the All-India Services should *mutatis mutandis* be granted to all European officers in the Central Services appointed by Secretary of State, and to such other European officers who, although appointed by the Government of India, were so appointed on the basis of a non-Asiatic domicile."

The inference my Committee draw from this paragraph is that to entitle Officers to get concessions under the Lee Commission they must be appointed on the basis of non-Asiatic domicile. The report does not contemplate, in the opinion of my Committee, transfer of officers from the Indian to the European cadre, specially after their service for a long number of years and after they had been all along considered practically as Anglo-Indians or Indians. My Committee are afraid that if such a procedure is adopted and considered valid, it may be used as a precedent to justify such transfers on a large scale which was not surely the intention of the report of the Lee Commission and which would entail a colossal burden on the Indian Exchequer for which Government may not have been prepared.

An early reply will be much appreciated.

No. E.-197 dated 6th May 1929 from the Secretary to the Agent, B. B. & C. I. Rly. to the Chamber.

With reference to your letter No. 956, dated 30th April 1929, I am desired to inform you that the domicile of all officers was re-examined by the Government of India, Railway Department (Railway Board), under orders from the Secretary of State for India. On this Railway no officer has been transferred from the Asiatic to the non-Asiatic cadre without the sanction of the Government of India.

No. 1142, dated 17th May 1929, from Chamber to the Agent, B. B. & C. I. Railway.

I am directed to acknowledge receipt of your letter No. E. 197, dated 6th May 1929. My Committee in this connection will be obliged if you will supply them with the following information regarding officers, who entered the various departments of your Railway in the first instance as Indians or Statutory Indians, and who were transferred from the Asiatic to the non-Asiatic Cadre with the sanction of the Government of India:

(1). Names and numbers of officers to whom the above concessions were forthwith granted after the recommendations of the Lee Commission were accepted by Government;

(2). Names and numbers of officers to whom such concessions were granted subsequently;

(3). Total amount of recurring and non-recurring expenditure involved by the various concessions.

(4). Reasons for such transfers;

(5). Whether there was any time limit fixed for entertaining claims of such transfers, and, if so what;

and

(6). Whether such claims are still being entertained, and, if so, the number of claims under consideration at present.

No. 1-197, dated 23rd May 1929 from B. B. & C. I. Rly. to Chamber.

The extension of Lee Commission Concessions to certain officers of this Railway not being peculiar to this Company but being of general application to all Railways in India, I am directed to request you to kindly approach the Government of India (Railway Board) for the information required.

No. 1236 dated 4th June 1929 from Chamber to Government of India, Railway Department.

The at[redacted] my Committee has been recently drawn to the transfer of s[redacted]rs of the Bombay, Baroda and Central India Railway from t[redacted]tic to the non-Asiatic cadre enabling them to

avail themselves of the various Lee concessions. They carried on correspondence with the authorities of that Railway, copies of which are sent herewith for ready reference. In view of the fact that such transfers in the B. B. & C. I. as well as in the other principal Railways, my Committee understand, have been effected with the sanction of the Government of India, they will feel obliged if you will be good enough to supply them with the following information in this regard.—

(1). Names and numbers of officers to whom the above concessions were forthwith granted after the recommendations of the Lee Commission were accepted by Government;

(2). Names and numbers of officers to whom such concessions were granted subsequently;

(3). Total amount of recurring and non-recurring expenditure involved by the various concessions;

(4). Reasons for such transfers;

(5). Whether there was any time limit fixed for entertaining claims of such transfers, and, if so, what;

and

(6). Whether such claims are still being entertained, and, if so, the number of claims under consideration at present.

No. 8294—E, dated 21st September 1929 from Railway Board to Chamber.

With reference to your letter No. T—1236, dated the 4th June 1929, I am directed to inform you that the Agent, Bombay Baroda and Central India Railway, reports that there are no officers on that railway who had claimed and been deemed to be Indians or statutory Indians for the purpose of their appointments, and who were previously not admitted to the Lee Concessions but subsequently admitted.

2. Your Chamber presumably have in mind the cases of three officers of the Bombay Baroda and Central India Railway who were promoted from the subordinate ranks, and who were, prior to the latest alteration of rule 10 of the Domicile Rules, debarred from ad-

mission to the Lee Concessions notwithstanding that their legal domicile was non-Asiatic.

I am to enclose for your information a copy of the original and revised rule 10.

3. In regard to the enquiries in items (5) and (6) of your letter I am to add that the Government of India have not imposed any time limit for entertaining claims under the revised rule 10 of the Domicile Rules, but have taken action to review the claims of all officers with a view to settlement within as short a time as possible.

Rule 10 of the Domicile Rules.

Original.

"10. Notwithstanding anything herein contained, a person who—

(a) was born, and has been educated exclusively, in Asia and had not at the date of his appointment resided out of Asia for a total period exceeding six months, or

(b) had before that date claimed or been deemed to be a **native of India** for the purpose of appointment to any office under the Government or of the conferment upon him by the Government of any scholarship, emoluments or other privilege, shall be deemed to have had his domicile in Asia on that date."

Revised.

"10. Notwithstanding anything herein contained, a person who—

(a) was born, and has been educated exclusively, in Asia and had not at the date of his appointment resided out of Asia for a total period exceeding six months, or

(b) had before that date claimed and had been deemed to be **of Indian domicile** for the purpose of his appointment to any office under the Government or of the conferment upon him by the Government of any scholarship, emoluments or other privilege, shall be deemed to have had his domicile in Asia on that date, unless in the case of a person to whom clause (a) applies and clause (b) does not apply it is proved to the satisfaction of the appointing authority that he did not have his domicile in Asia on that date"

No. 2164 dated 2nd October, from Chamber to Railway Board.

I am directed to acknowledge receipt of your letter dated the 21st September 1929, No. 8294—E.

In this connection my Committee will be much obliged if you will be kind enough to let them know the number of individuals on each Railway in India who have been given the Lee Concessions, as a result of the revision of Rule 10 of the Domicile Rules. You will also kindly let them know as to whether a reference was made to the Public Services Commission with regard to this matter as enquired by my Committee in this Office letter of the 27th June 1929. No. 1401.

From Railway Board to Chamber, No. 8294—E dated 27th January.

With reference to your letter No. 2164, dated the 2nd October 1929. I am directed to attach a statement giving the information you require.

2. I am to add that the Public Service Commissioners were consulted in all cases where there was the slightest doubt about the validity of the claim of an officer to non-Asiatic domicile under the provisions of the rules.

Statement showing the number of officers on each railway in India who have been admitted to the Lee Concessions as a result of the amendment of Rule 10 of the Domicile Rules.

Railway.	No.
Eastern Bengal	7
North Western	2
Burma	3
Assam Bengal	2
Bengal & North Western	3
Bengal Nagpur	1
Bombay, Baroda & Central India	10
Rohilkund and Kumaon	1
Madras & Southern Mahratta	2
East Indian	7
Great Indian Peninsula	3.
Total	41

No. 2743, dated 6th December, from Chamber to Government of India, Home Department

It was brought to the notice of the Committee of this Chamber that some officers of the B. B. and C. I. Railway were transferred from the Asiatic cadre to the non-Asiatic cadre, thus enabling them to avail themselves of all the privileges and concessions, etc., recommended by the Lee Commission. In reply to a communication to the said Railway on the subject the Committee were informed that such transfers were made with the sanction of the Railway Board. My Committee thereupon wrote to the Railway Board, as per copy of letter enclosed, to which they received the accompanying reply referring them to certain alterations in the Domicile Rules. Subsequently at an interview with the Committee of the Chamber, the Chief Commissioner for Railways informed the Committee that the change in the Rules was effected by the Government of India, Home Department, and that the Committee should approach that Department for any information that they might require in this connection. I am now directed by my Committee to request you to be good enough to furnish them with the following information:—

(1). Number of officers attached to different Railway Administrations to whom the Lee Concessions were forthwith granted after the recommendations of the Commission were accepted by Government.

(2). Number of officers to whom such concessions were granted subsequently.

(3). Names and number of officers, who, previous to change in rules, were not eligible for these concessions but were made eligible by the revision of Rule 10 of the Domicile Rules.

(4). Total amount of recurring and non-recurring expenditure involved by this change in rules.

(5). The reasons for such a change.

(6). Whether the Public Services Commission was consulted before the changes were made.

(7). Whether there was any time limit fixed for entertaining claims for transfer to non-Asiatic cadre under the revised rules.

(8). Whether these claims are still being entertained; if so, the number of claims under consideration.

My Committee would very much appreciate an early reply being vouchsafed to their letter.

From Railway Board to Chamber, No. 57—E|30 dated 8th February.

I am directed to acknowledge the receipt of your letter No. 2743, dated the 6th December 1929, to the address of the Secretary to the Government of India, Home Department, on the subject noted above and to state that the information called for therein will be furnished to you in due course.

APPENDIX V

Railway Concession to parties of film producing Companies. No. 1707|08 dated 31st July, 1929, from Chamber to the Agents, B. B. & C. I., & G. I. P. Railways.

I am directed by the Committee of this Chamber to address you regarding railway concessions to Indian film producing companies as under:

My Committee understand that your Railway grants concessions to theatrical companies and other public-entertaining varieties companies, but the same have been and are being refused to the film producing companies on the ground that such companies are not going to entertain the public by moving out to take scenes for the pictures, etc. They feel that the reasons set forth for refusing such concessions to film producing companies are hardly convincing. It is difficult to draw a line of demarcation between the activities of theatrical companies and other public entertaining companies and of the film producing companies. The film producing companies also move out to places of natural scenery and historical importance,

etc., to take pictures which have the object of entertaining the public. In view of this similarity of activities of theatrical companies and film producing companies, it becomes difficult for my Committee to find out the reasons why the latter are refused the same facilities offered to the former. I am, therefore, directed by my Committee to place before you the claims of the indigenous film producing companies for being granted the concessions on your Railway.

My Committee are of opinion that the Indian cinema film companies deserve all possible help and encouragement from the public and any help extended by your Railway by way of concessions will no doubt be appreciated. My Committee trust that this request on behalf of the indigenous film producing companies will be sympathetically considered by you.

No. T. 12. C. 35, dated 16th August 1929, from the Agent, B. B. & C. I. Railway to Chamber.

With reference to your letter No. 1708 dated 31st July 1929 I beg to state that large parties belonging to film producing companies travelling by special trains are allowed the concession detailed in serial No. 1 (ii), Rule 102 of Coaching Tariff Pt. I., (extract enclosed) but no concession is allowed to small parties travelling by ordinary train for the reason that concessions are granted by railways with a view to encouraging traffic and such a reason does not operate in the case of small parties belonging to film producing companies.

Bona-fide professional entertainers whether theatrical, concert or variety, in parties of not less than four, are allowed a concession of half fares in first or second class or at third class mail fares in inter class, with a view to encourage traffic. There is no analogy between *bona-fide* professional entertainers and film producing companies and no concession can therefore be allowed to small parties of the latter.

Extract Rule No. 102, Serial No. 1 (ii). of Coaching Tariff Part 1.

Serial No. 1 (ii). Circus troupes and theatrical parties.—

Will be allowed special trains at Rs. 6|- per train per mile, subject to the following conditions:—

(i) that the load (inclusive of brake-vans) does not exceed 15 four-wheelers or their equivalent.

(ii) that vehicles in excess of 16 are paid for at a rate of Re. 0-6-0 per four-wheeled vehicle per mile.

(iii) Whenever the total charges on any Railway are less than Rs. 250. a minimum charge of Rs. 250 will be made on that Railway.

(iv) that luggage, animals, etc., are at owner's risk. (Risk Note. Form B.)

(v) that the number of description of vehicles to be supplied are at the option of the Railway.

(vi) that it is optional with the Railway to attach to such special trains other vehicles containing ordinary public traffic.

(vii) That the forwarding Railways' rates and conditions apply through to destination, irrespective of the number of vehicles used, when transhipment takes place.

(viii) That the rate is inclusive of transhipment charges.

No. 12322 M|957 dated 22nd August, 1929, from the Agent, G. I. P. Railway to Chamber.

I am directed to state that the concession detailed in item 1 (i) Rule 102, page 207 of our current Coaching Guide and Tariff No. 225 applies only to bona-fide professional entertainers whether theatrical, concert or variety including bioscope and cinema companies. The concession for the latter two companies is available only when they are travelling to give public exhibitions of cinematograph films.

2. At the instance of the Railway Board the question of granting railway concessions to film producing companies was discussed by the Conference of Railway Delegates held at Simla on 6-10-1928, and I reproduce below the resolution passed by that Conference:—

"Resolution C|102.—The Commercial Committee see no reason for granting a concession to small parties belong-

ing to film producing companies travelling by ordinary train. Concessions are granted with a view to encouraging traffic and such a reason does not operate in the case of such parties. The Commercial Committee recommend, however, that for large parties travelling by special trains the concession allowed under Serial No. 1 (ii) of Rule 102 of Coaching Tariff No. 5 to circus troupes and theatrical parties should be granted."

The necessary addition has been made in item 1 (ii) (b) Rule 102 page 207 of our current Coaching Guide and Tariff No. 225.

3. In the circumstances it is regretted that no other concession to the film producing companies can be granted.

Nos. 2031 & 2032 dated 8th September, 1929, from Chamber to Agents, G. I. P. and B. B. & C. I. Railways.

With reference to your letter No. 12322—M|957, 1T.12C-35, dated 22-8-29|16-8-29, my Committee are sorry to find that you are not inclined to consider the question of granting concessions to film producing companies favourably.

The main reason put forward for refusing such concessions is that the concessions are granted with a view to encouraging traffic and such a reason does not operate in the case of parties of film producing companies going out to take scenes, etc. You seem to believe that there is no analogy between *bona-fide* professional entertainers and film producing companies, and no concessions can therefore be allowed to small parties of the latter. My Committee cannot agree with this view and have to emphasise the fact once more that there is practically, and there can be, no material difference between theatrical parties and entertainers and the parties of film producing companies. Both these agencies serve a common purpose of entertaining the public and as such should be meted out equal treatment. It is again misleading to state that the parties of film producing companies travelling by railways are necessarily small. These parties have necessarily to be large as films are to be taken of different scenes with several actors both men and women.

On all these grounds, I am directed by my Committee to request you to reconsider the question and grant the concessions to film producing companies on the same basis as entertainers and theatrical companies.

No. T|12|28-C-38, dated 20th September 1929, from Agent, B. B. & C. I. Railway to Chamber.

With reference to your letter No. 2031, dated 6th September 1929. I beg to inform you that this question was considered by the Committee of General Traffic Managers of Railways, who are specially appointed to examine and report on such subjects.

I have nothing to add to my letter No. T-12-C-35. dated 16th August 1929.

No. 12237-G|46, dated 4th October, from the Agent, G. I. P. Railway to Chamber.

I am directed to state that this Administration has nothing to add to what has already been stated in this office letter No. 12322-M 957 of 22nd August 1929.

No. 2180, dated 3rd October 1929, from Chamber to the Railway Board.

I am directed to send you herewith copies of correspondence passed between my Committee and the G. I. P. and the B. B. & C. I. Railways regarding travelling concessions to film producing companies. My Committee pointed out that these two Railways granted concessions to theatrical companies and other public entertaining and variety companies and that the same were being refused to the film producing concerns on the ground that such companies were not going to entertain the public by moving out to take scenes for the pictures, etc. No such line of demarcation can be and should be drawn between the activities of theatrical companies and other public entertainment companies and of the film producing companies. These film producing companies have to travel from place to place to take pictures with the object of entertaining the public. To the representation of my Committee both the Railway Companies replied that the concessions applied only to *bona-fide* entertainment com-

panies and not to the film producing companies, the implication throughout being that with regard to the latter only small parties had to move about. My Committee may be allowed to draw the attention of the Railway Board to two fallacies underlying this reply of the Railway companies; one is that it was only small parties which travelled on behalf of the film producing companies for the purpose of taking pictures. This is a mistaken notion as these companies have to send a big number of people several times for taking scenes in historic places or places of scenic interest, the other fallacy is that when these parties go out it is not for entertaining purposes. The ultimate purpose is of entertainment as these film producing companies take out all these films for the purpose of entertaining the public. The Cinema industry is a growing industry in this country and as you must have seen recently the Government of India appointed a Committee to make suggestions regarding its development. As such the railways will be fully justified in extending the concessions to parties travelling on behalf of the film producing companies.

Under these circumstances, my Committee request the Board to be good enough to issue instructions to all the Railways for including film producing companies amongst those to whom railway concessions are given at present for travelling.

No. 1750-T, dated 15th October 1929, from the Railway Board to Chamber.

With reference to your letter No. 2180, dated the 3rd/4th October 1929, I am directed to state that the Railway Board regret that they can see no reason for interfering with the discretion of Railway Administrations in dealing with this matter.

No. 2741 dated 6th December, 1929, from Chamber to Railway Board.

With reference to previous correspondence ending with your letter No. 1750—T of the 15th October 1929, my Committee will like to put another aspect of this matter before the Railway Board, viz., that the extension of these concessions to parties of film producing companies would go a long way towards encouraging the indigenous film producing industry. The film producing industry in India

is a nascent one and to enable it to develop itself to its full possibilities every encouragement should be given to the industry. This aspect of the matter was stressed by my Committee at their interview with Mr. Russell, Chief Commissioner for Railways and Mr. Parsons, Financial Commissioner. They were good enough to assure the Committee that the Railway Board would reconsider the matter and I am directed to request that the Railway Board may be pleased to take steps to make available these concessions to the indigenous film producing industry at an early date.

No. 17750-T., dated 17th December 1929, from Railway Board to Chamber.

With reference to your letter No. 2741, dated the 6th December 1929, I am directed to state that, on a reconsideration of the matter, the Railway Board have advised State-managed Railways tc allow film producing companies the same concessions as are admissible to **bona fide** professional entertainers.

APPENDIX VI

FREIGHT CHARGES FOR PARCELS AND LUGGAGE.

No. 16T, dated 12th January 1929, from the Railway Board to the Chamber.

In continuation of Railway Board's letter No. 16-T., dated the 25th January 1928, I am directed to inform you that the reduced rates for parcels and luggage brought into force from the 1st January 1929 over the principal railways **have been fixed on 5 seer divisions.**

2. As regards goods traffic, it is not considered desirable to reduce the existing unit of 10 seers.

No. 223, dated 30th January 1929, from Chamber to the Railway Board.

I am directed to acknowledge, with thanks, receipt of your letter No. 16-T., dated the 12th January 1929, informing my Committee that

Government have been pleased to reduce rates for parcels and luggage brought into force from 1st January 1929 over the principal railways on 5 seer divisions. With regard to Government's decision regarding the goods traffic, my Committee note with regret that a similar reduction has not been conceded. Government will no doubt realise that any reduction, however small it may be in the direction of goods traffic is bound to materially help the Indian business community. I am, therefore directed by my Committee to request Government to be pleased to reconsider their decision in this connection, and extend the same concession to the goods traffic as has been done to parcels and luggage.

No. 16-T., dated 20th November 1929, from Railway Board to Chamber

In continuation of Railway Board's letter No. 16-T., dated the 17th August 1929, I am directed to state that with effect from 1st January 1930, fractions of a maund in the case of goods traffic will be charged for as follows:—

1	to	5	Seers	will	be	charged	as	1/8 maund.
6	to	10	"	"	"	"	"	1/4 "
11	to	15	"	"	"	"	"	3/8 "
16	to	20	"	"	"	"	"	1/2 "
21	to	25	"	"	"	"	"	5/8 "
26	to	30	"	"	"	"	"	3/4 "
31	to	35	"	"	"	"	"	7/8 "
36	to	40	"	"	"	"	"	1 "
41	to	45	"	"	"	"	"	1 1/8 "

and so on.

APPENDIX VII

ADVISORY COMMITTEE TO THE BARSI LIGHT RAILWAY COMPANY.

No. 2297, dated 18th October 1929, from Chamber to Railway Board.

As the Railway Board are aware the Committee of the Indian Merchants' Chamber have been anxious about the convenience of

Pilgrims going to Pandharpur, and have before now addressed the Railway Board regarding the transport of these pilgrims in goods wagons on the Barsi Light Railway. The replies given by the Hon'ble the Commerce Member to questions put by Sir Purshotamdas Thakurdas at the last Simla Session of the Assembly do not indicate any substantial action having yet been taken by the Railway Board to put an end to the highly objectionable practice of carrying pilgrims in goods wagons. On his return from Simla towards the end of the last month, Sir Purshotamdas Thakurdas informed the Committee of the Chamber that he had an interview on the 27th ult. with the Hon'ble Sir Austen Hadow, Chief Commissioner for Railways and Mr. Russel, his successor, and my Committee noted with satisfaction that both of them accepted Sir Purshotamdas's suggestion at the interview, that the Barsi Light Railway administration should forthwith agree to the appointment of an Advisory Committee attached to that Railway, with a view to watch the comforts of pilgrims; and generally to advise the Railway Administration regarding the correct steps to be taken for the comfort of pilgrims resorting to Pandharpur. My Committee trust that this suggestion of Sir Purshotamdas Thakurdas, which met with the approval of Sir Austen Hadow and Mr. Russel, has been conveyed by the Railway Board to the Agent, Barsi Light Railway, and that the Advisory Committee will be working before the end of this calender year. My Committee understand that Sir Purshotamdas Thakurdas suggested that the Advisory Committee should consist of at least three non-official members as follows:—

1. A representative of the Sholapur Chamber of Commerce.
2. A representative of the Bombay Legislative Council, and
3. A representative elected by the G. I. P. Railway Advisory Committee. (Non-official to be elected).

My Committee will be glad to know when this Advisory Committee is likely to function.

No. 3225-T., dated 9th November 1929, from Railway Board to Chamber.

With reference to your letter No. 2297, dated 18th October 1929, I am directed to state that the question of increasing the third class

accommodation available on the Barsi Light Railway as also that of the formation of Local Advisory Committee is under corresondence with the Agent and Chief Engineer of that Railway.

APPENDIX VIII

COMMERCIAL REPRESENTATION ON THE HUBLI BRANCH OF THE M. S. M. RAILWAY (Vide Report 1928 p. 84).

No. 2412|27-Railway, dated 3rd September 1929, from Government of Bombay, Public Works Department to Chambers.

With reference to your letter No. 2463, dated 31st October 1928, on the subject noted above, I am directed by the Governor in Council to inform you that the question of securing a seat for a member to represent Indian Commercial interests on the Local Advisory Committee of the Madras and Southern Marhatta Railway at Hubli was under the consideration of Government for some time past, and their recommendation to allow the Maharashtra Chamber of Commerce to elect one member to sit on the Committee has been accepted by the Railway Authorities.

APPENDIX IX

CONCESSION IN RAILWAY FREIGHT ON AGRICULTURAL IMPLEMENTS.

No. 2851, dated 18th December 1929, from Chamber to Railway Board.

The Royal Agricultural Commission in Paragraph 109 of their Report recommended the reduction of freight rates on agricultural implements with a view to encouraging the manufacture in India of such implements. They said as under:—

"In pursurance of our desire that the manufacture in India of Agricultural machinery and implements should be encouraged, we have also examined the rates charged by the Railways for the transport of such goods. In the present stage of Industrial Development in India, it cannot be expected that a factory capable of turning out the more elaborate types of machinery and implements should be estab-

lished in each province. At the same time, railway transport charges to distant parts of the country are a serious matter to agricultural implements firms. While the Railways are commercial undertakings and, as such, must earn a reasonable rate of interest on the capital sunk in them. it is greatly to their interest to encourage the internal manufacture by charging the lowest possible rates for the movement to the factory of raw material and from the factory of the finished articles all over the country. We would, therefore, suggest that freight rates on agricultural implements and machinery should be re-examined from this point of view and that, where possible, concessions should be given."

The Railway Board cannot be unaware of the fact that there are in India two firms engaged in the manufacture of agricultural implements, one at Satara and the other at Kirloskarvadi. A wider use of the implements of these factories in the other parts of the country is restricted by the heavy transport charges. As the Commission has rightly pointed out, it is not practicable to have factories started in each province. Therefore, to facilitate and encourage the wider use of these implements my Committee are convinced that reduced transport charges would go a long way, and therefore suggest that the Railway Board should re-examine the rates for agricultural implements with a view to reducing the rates on the implements manufactured by the two firms at Kirloskarvadi and Satara.

No. 978-T., dated 16th January 1930, from Railway Board to Chamber.

I am directed to acknowledge the receipt of your letter No. 2851, dated 18th December 1929, and to inform you that certain reductions in the classified rates for agricultural machinery had been introduced prior to the actual publication of the Report of the Royal Commission on Agriculture in India though subsequent to the investigations made by that Commission.

2. The facts regarding this are as follows: On a representation made by Messrs. Kirloskar Brothers in 1927 the Indian Railway Conference Association on a suggestion from the Railway Board, examined the question and recommended that agricultural implements and machinery not worked by their own power should be classified

at the 1st class rate. Up till then agricultural machinery of all descriptions had been classified at the 4th class rate at railway risk and at the 2nd class rate at owner's risk and agricultural implements other than machinery, when booked at railway risk, were classified at the 1st class rate when packed and at the 3rd class rate when unpacked. When booked at owner's risk, they were classified at the 1st class rate. The Railway Board sanctioned the introduction of the revised classification from the 1st February 1928 and, when the report of the Royal Commission on Agriculture in India was issued, the matter was again examined and, as the lowest classification applied to agricultural implements and to agricultural machinery not worked by their own power, the Railway Board considered that any reduction in rates below the classified rate was a matter for railway administrations to deal with, consideration being given to local conditions.

3. I am desired to attach a copy of Railway Board's letter No. 978-T., dated the 12th January 1929 to Messrs. Kirloskar on this subject.

Copy of letter No. 978-T., dated 12th January 1929, from the Secretary, Railway Board, to Messrs. Kirloskar Brothers, Limited, Farm Machinery Manufacturers, Kirloskarvadi, District Satara.

Concession in Railway Freights for Raw Materials and for Agricultural Implements.

With reference to your letter No. 514, dated 15th December 1928, I am directed to inform you that the rate for agricultural implements and machines was considered by the Railway Board early last year, and, with effect from 1st February 1928, machinery used for agricultural purposes not worked by their own power was classified first class at railway risk when packed, and third class at railway risk and first class at owner's risk when unpacked.

Prior to this, such machinery had been classified 4th class at railway risk and second class at owner's risk.

The Railway Board did not consider that any further alteration than this could be made in the classification for agricultural implements and machinery not worked by their own power and they are still of the same opinion.

2. As regards mild steel bars, sand, fire-clay and lime, these are classified first (the lowest) class, except bars which are classified second class and I am to inform you that, while the Railway Board do not consider that any alteration in the classification of these commodities would be justifiable, on certain railways it may be possible for reduced rates to be quoted.

This is a matter which must be left to the Railway Administrations concerned to determine, and it is suggested that you refer the matter direct to the Railways over which you desire that special rates should be quoted.

APPENDIX X

SECOND CLASS MILEAGE COUPONS OVER THE S. I. RAILWAY.

No. 2679, dated 29th November 1929, from Chamber to the Agent, South Indian Railway, Trichinopoly.

You are, no doubt, aware of the success of the system adopted by most of the Railway Companies of issuing First and Second Class Mileage Coupon-books to commercial travellers for journeys of 3,000 miles at concession rates. The system has been well received by the commercial public. The fact that the system is being adopted by practically all Railways shows that Railway Administrations have come to believe that they will not lose their revenues by such facilities, but on the contrary the traffic will increase, thus benefitting it. My Committee are advised that the M. S. M. Railway have extended this system to 2nd class travellers recently. In view of the fact that this system is now gaining in popularity both with the travelling public and with the Railway Administrations, my Committee hopes that the question of extending these facilities over your Railway system will receive early and favourable consideration.

No. A. T. 4873|1|122, dated 4th December 1929, from the Agent, South Indian Railway, Co., to the Chamber.

With reference to your letter No. 2679, dated 29th November 1929, I write to inform you that arrangements have been made to

issue second class mileage coupon tickets over this Railway with effect from 1st January 1930.

APPENDIX XI

INDIANIZATION OF PILOT AND CONNECTED SERVICES IN THE BOMBAY PORT TRUST (Vide Report for 1927).

No. 221, dated 12th January 1929, from the Bombay Port Trust to Chamber.

With reference to your letter No. 221, dated 26th January 1928 on the above subject I am directed to inform you that in pursuance of the undertaking given to you per this Office letter No. 4826, dated 23rd November 1927 to devise means for encouraging and helping Indian officers of the Mercantile Marine to qualify for appointment to the Bombay Pilot Service in future vacancies, the Board after considering the suggestions contained in your letter, decided to endow two scholarships of the value of Rs. 100 p.m. each, tenable for a period of three years from date of passing out of the I. M. M. T. S. "Dufferin," and subject to selected cadets obtaining appointments as apprentices or junior officers in one of the recognised Steamship lines and continuing their sea career during the period of the scholarship. The conditions and rules governing the grant of the scholarships will be framed in consultation with the Governing Body of the "Dufferin." The award will probably be made from among those cadets who obtain Extra Leaving Certificates from the "Dufferin" and pass out highest in navigation and seamanship. The Trustees hope that the scholarships will prove an incentive to the best cadets and assist them materially at the outset of their sea career, and that the scheme will provide a future nucleus of selected officers who, after obtaining their Master's Certificate, will be eligible to apply for such vacancies in the Pilot Service as may hereafter occur. A copy of the Resolution (No. 6) on the subject is enclosed for information.

BOMBAY PORT TRUST.

Excerpt from the Proceedings of a meeting of the Trustees of the Port of Bombay, held on the 2nd January 1929.

6. Submitted extract from the proceedings at a meeting of the Finance and General Committee held on 27th December 1928, as follows:—

Submitted:—

Trustees' Resoution No. 565 of 1927 approving the terms of a reply to a representation from the Indian Merchants' Chamber regarding Indianisation of the services engaged in the piloting, mooring, berthing, etc., of vessels in the Port and undertaking to give favourable consideration to any practical scheme that the Chamber are able to suggest, whereby the Trustees could assist in furthering the scheme for encouraging and helping Indians to qualify for service in the Port Department. ....

Secretary's letter No. 4826, dated 23rd November 1927. to the Indian Merchants' Chamber.

Letter from the Indian Merchants' Chamber No. 221, dated 26th January 1928.

Report by the Port Officer, dated 3rd March 1928.

Government memoranda, Marine Department, Nos. L.C.-78 M. dated 22nd October and 27th November 1928, communicating particulars of a scholarship scheme instituted by the Karachi Port Trust in connection with the training of Indians for the Karachi Pilot Service.

Note by the Deputy Chairman, dated 20th December 1928. as follows:—

As directed by the Trustees (Trustees' Resolution No. 565 of 1927) the Indian Merchants' Chamber were asked to suggest any practical means whereby the Port Trust could assist in furthering the scheme for encouraging and helping Indians to qualify for employment as Pilots or Berthing Masters. The Chambers' reply (No. 221 of 26th January 1928) did not put forward any definite constructive scheme but we can, I think, embody most of their suggestions in formulating a scheme somewhat on the basis suggested in the Chairman's note of 4th November 1927 (vide preamble to above Trustees' Resolution).

The Karachi Port Trust have recently endowed two annual scholarships of the value of Rs. 360 each for "Dufferin" cadets tenable for 3 years during cadetship on the "Dufferin." The scheme does not

provide for the boys' future employment after passing out of the "Dufferin," but it is stated that preference will be given to them should there subsequently be any vacancies in the Karachi Port Trust service which they may be qualified to fill.

It is proposed to recommend that the B. P. T. scholarship should take the form of passing out scholarships in preference to being tenable during the 3 years' cadetship on the training ship. There are several reasons why passing out scholarships are preferable—

(a) it is obviously easier to select the best cadets at the end of their training than at the beginning;

(b) the money will be more useful to the cadet at the beginning of his sea-going career than during his term on the training ship; he will probably receive little or no pay as an apprentice and may even have to pay a premium; and the boy's father will probably not be in such a good position to help him at this stage;

(c) the scholarships should prove an incentive to the cadets: the boys who win them should find it easier to secure a footing as apprentices in the best Steamship Companies.

It is proposed that the Trustees should endow two scholarships of the value of Rs. 100 per mensem each, tenable for a period of three years from date of passing out of the "Dufferin," and subject to the cadet obtaining an appointment as apprentice or junior officer in one of the recognised Steamship Lines and continuing his sea career during the period of the scholarship.

The awarding of the scholarships should, it is thought, be left in the hands of the Governing Body of the I. M. M. T. S. "Dufferin" who will either award them by competitive examination or by selection as they may think fit. They will doubtless be guided in this matter by the procedure adopted in the case of similar scholarships on training ships such as the "Conway" and "Worcester." In this matter the Trustees would doubtless be satisfied to accept the recommendations of the Captain Superintendent and the Governing Body of the "Dufferin."

Detailed rules regarding the grant of the scholarships and disbursement of the funds will be drawn up after obtaining the Trustees'

approval to the proposal and ascertaining the views of the Governing Body. It must be made clear that the grant of these scholarships does not imply any promise of eventual employment by the Port Trust. The Trust will assist the successful cadets, as far as possible, in obtaining apprenticeships with one of the Shipping Companies, if any assistance in this direction should be necessary, and will thereafter endeavour to keep in touch with their career. As soon as they obtain their Master's Certificate any of these who desire to apply for employment in the Bombay Pilot Service will be at liberty to register their names and, subject to the necessary technical qualifications, good health, and satisfactory record during their sea service, the Trustees would doubtless agree that they should be given preference of choice in vacancies as available. The Port Officer is very definitely of opinion that no change should be made in the rule which requires all officers of the Bombay Pilot Service to possess a foreign-going Master's Certificate. As he remarks "this is the only guarantee that the applicant has had the necessary professional education and experience to enable him to commence his pilot's training," and the Trust would incur a grave responsibility if they agreed to any measure tending to lesson the efficiency of the Pilot Service by lowering the qualification. It must also be remembered that in the event of a serious accident or other causes which at times render it inadvisable to retain a Pilot in the service, he can generally revert to his sea career if he holds a Master's Certificate, whereas without possession of such certificate the whole of his future career would in such an event be jeopardised. A cadet passes out of the "Dufferin" at the age of 16 to 19 and ordinarily it should take him not longer than 7 years at sea to obtain his Master's Certificate. The maximum joining age for the Pilot service is 30 so there is ample time for cadets to qualify as applicants for the Pilot service should they wish to do so. The number of selections must of course be governed by the number of vacancies.

The suggestion of the Indian Merchants' Chamber that the Port Trust should enter into an agreement with selected cadets as regards future employment as pilots is, in the opinion of the Port Officer and myself, not feasible. The cadet might find, after he had been at sea a few years, that he did not wish to join the Pilot service; obviously he could not then be held to his agreement. On the other hand, when

the time came for him to be offered a vacancy it might be found that his record of service at sea or his physique and health might not be up to the required standard; in that event the Trustees could not carry out their side of the agreement. I am of opinion that the proposed scholarship scheme, combined with the assistance to be given in placing the boys and keeping an eye on their subsequent career till they are fit and qualified to apply for vacancies as pilots, if desirous of doing so, is the best and most practicable method of furthering the object in view.

As regards Berthing Masters, these men are not required to possess Master's or Mate's Certificates; they are generally selected from the petty or warrant officer class, men who have had experience of handling ships. The Berthing Master's grade is Rs. 350—25—450 and Assistant Dock Masters (who are promoted from Berthing Masters) Rs. 500—25—550 and (Senior) 600—25—700. These posts would not attract Indians with Master's Certificates and they need not be considered in connection with the "Dufferin" scholarship scheme. The Port Officer has stated that if any Indian seamen possessing the necessary qualifications apply for employment as Berthing Masters they will be considered when a vacancy arises. He has also stated his opinion that,—subject to the necessary 4 to 6 months' probation,—some of the Indian Masters and Mates of the Home Trade Vessels using this port would make competent Berthing Masters. The present scale of pay prevailing in the Coastal Services is much the same as our Berthing Masters' grade and it is doubtful therefore whether the service will attract this class of men. We cannot, it seems, do more than let it be known that applications from such men will be favourably considered. The Port Officer is of opinion that Syrangs of Inland vessels would not make suitable Berthing Masters as they are not sufficiently educated or experienced in the handling of large vessels.

The papers were circulated to the Committee under Circular No. 298, dated 21st December 1928

The Chairman said that for the reasons stated in the note the revised proposals were in several respects preferable to the scheme originally considered and the Port Officer, who had been consulted in the matter, agreed that passing out scholarships on the lines suggested would

provide the best practical means of assisting selected Indian cadets to qualify eventually for appointment to the Pilot Service

Rear Admiral Walwyn expressed entire agreement with the proposals which he considered in every way suitable.

As regards the awarding of the scholarships the Port Officer explained that on completion of the training course on board the "Dufferin", two forms of leaving certificates will be granted—either Ordinary or Extra—the latter being awarded to cadets who get more than two-thirds of the total marks obtainable for the final examination. He suggested that the Bombay Port Trust scholarships should preferably be awarded by the Governing Body by selection from those cadets who obtain the Extra qualification in navigation and seamanship, and that the scholarships should not be made the subject of a separate competitive examination.

The Committee concurred in this suggestion, and recommended the scheme for adoption by the Board.

Resolution No. 6. The recommendations of the Finance and General Committee are approved, subject to the sanction of Government to the expenditure involved under the proviso to Section 49 of the Bombay Port Trust Act 1879.

2. Draft conditions and rules governing the grant of the scholarships should be framed in consultation with the Governing Body of the I. M. M. T. S. "Dufferin" through the Captain Superintendent, and submitted for Board's approval.

No. 670, dated 20th March 1929, from Chamber to Bombay Port Trust.

I am directed by my Committee to acknowledge the receipt of your letter No. 221 of the 12th January 1929, and to observe that my Committee are glad to learn that with a view to encourage and help the Indian officers of the Mercantile Marine to qualify for appointment to the Bombay Pilot Service in future vacancies, the Trustees have decided to give two scholarships to the selected cadets of the I. M. M. T. S. "Dufferin" of the value of Rs. 100 per month each tenable for a period of three years from the date of their passing out of that Training Ship and obtaining appointments as apprentices

or Junior Officers in one of the recognised Steamship Lines and continuing their sea career during the period of scholarship. My Committee further observe from the papers accompanying your letter that the grant of these scholarships does not imply any promise of eventual employment of the cadets in question in the Pilot Service of the Bombay Port Trust. The selected cadets, however, after they have obtained their Master's Certificate will have to take their chance along with other applicants for the entry into the Bombay Pilot Service and it will be left to the Trustees whether to give them preference or not in filling up the vacancies that may occur in that service.

My Committee, while appreciating the action of the Trustees in giving monetary help to the selected cadets for enabling them to increase their opportunities for acquiring the sea-faring training, do not think the scheme as set forth in your letter and referred to above, will achieve the object namely, the Indianisation of the Pilot Service of the Bombay Port Trust. My Committee, before however offering any further observations as regards the inefficiency of the scheme to achieve the object that is in view, will feel obliged if the Board of Trustees will give the following their earnest consideration and communicate to them their decided views on the subject:—

It is stated in the note accompanying your letter that the Port Officer is very definitely of opinion that no change should be made in the rule which requires all Officers of the Bombay Pilot service to possess a foreign-going Master's certificataes. While my Committee have no desire to lower the standard of qualifications which may be considered essential in those who wish to enter the Pilot service, they cannot but bring to your notice the important fact that the possession of a foreign-going Master's Certificate is not considered essential in those who wish to enter either the Bengal Pilot service, the Rangoon Pilot service or the Karachi Pilot service. The possession of a 2nd Mate's certificate is considered a sufficient qualification for entry into the Bengal Pilot service. The possession of a 2nd Mate's certificate is considered obligatory for entry into the Karachi Pilot service, and the possession of a Home Trade Master's certificate is considered a sufficient qualification for entry into the Rangoon Pilot service. Moreover, it is recognised on all hands that the Bengal Pilot service is one

of the most difficult Pilot services in the world since the Pilot has to navigate the vessel often in treacherous waters for a distance of about 128 miles, and yet that service does not insist upon the possession of a foreign-going Master's certificate as an essential qualification for entry into that service just as the Bombay Pilot service does. The conditions under which a Pilot has to handle a vessel in the Bombay harbour are not in any way more difficult than the conditions under which the pilots have to handle vessels either on the Hooghly river or the Karachi harbour or on the Rangoon river. My Committee, therefore, fail to appreciate the justification for insisting upon a foreign-going Master's certificate as a condition precedent for those who wish to enter into the Bombay Pilot service, and will therefore, feel obliged if your Board will be pleased to reconsider the qualifications that are considered essential for entry into the Bombay Pilot service.

As regards Berthing Masters, my Committee note that these men are not required to possess either a Master's or a Mate's certificate, and they are selected generally from the petty or warrant Officers class, that is, men who have had experience of handling ships. My Committee venture to suggest that if steps are taken to bring to the notice of the Officers working on the Home Trade vessels running on the West Coast of India the conditions and emoluments of service as Berthing Masters in the Bombay Port Trust, they will find in that direction a class of able Indian seamen possessing experience in handling ships who will be ready, if proper facilities and encouragement are given to them, to join that service of the Bombay Port Trust as Berthing Masters.

APPENDIX XII

VIEWS OF MR. SHARPE, CHAIRMAN OF THE BOMBAY PORT TRUST ON THE COASTAL RESERVATION BILL

(Vide Report for 1928).

No. 43, dated 10th January 1929, from Chamber to Chairman, Bombay Port Trust.

The correspondence which passed between your predecessor, yourself and Mr. L. R. Tairsee, one of our representatives on your

Board, ending with your letter of the 7th instant, was placed before the Committee of this Chamber at their last meeting. They are sorry that they cannot agree with you in the interpretation you have placed upon the procedure regarding consultation of public bodies, by Government. My Committee are of opinion that whenever these communications are addressed to the Chairman or Secretary to public bodies it is the views of these bodies which are called for, and not the views of the particular individuals who may happen to occupy those posts. Their long experience (going back over 21 years) with Government, both Imperial and Provincial, confirms them in this view. They are further supported by the recent letter of the Government of Bombay where it is clearly stated that "Government address such communications to the Secretaries and Chairman of public and semi-public bodies in their capacity of representatives of these bodies," and that "when replies are received from those officers it is presumed that the replies they despatch are given under proper authority." Under these circumstances, my Committee think that the very important question of the Coastal Traffic Reservation Bill should not have been placed before the Board of Port Trustees by the then Chairman. His not doing so has been responsible for a misimpression on the part of the Government of India that the views expressed by Mr. Sharpe represented the collective views of the Bombay Port Trust. This will be evident from the manner in which the letter from Mr. Sharpe is published along with the other relevant papers in connection with the Coastal Traffic Reservation Bill. My Committee requests you to be good enough to make it clear to the Government of India that the views expressed by Mr. Sharpe were his own personal views, and not the views of the Bombay Port Trust of which he was the then Chairman. They also hope that in future all such communications as are received from Government addressed to the Chairman of the Port Trust will be placed before the Board of Trustees for their views.

No. 1705, dated 15th April 1929, from Bombay Port Trust to Chamber.

With further reference to your letter No. 43, dated 10th January 1929, I am directed to say that the procedure adopted in the case

under reference was strictly in accordance with that always followed in the past.

As regards future procedure, I am to say that Government references on questions of opinion, etc., will be laid before the Board for their views unless Government specify to the contrary.

With regard to the Chairman's letter under reference, I am to observe that the phrasing made it evident that the views expressed therein represented the individual opinion of the Chairman and not the collective opinion of the Board. In view, however, of your request, this fact has been specifically brought to the notice of Government.

INTERNATIONAL REGULATION OF HOURS OF WORK ON BOARD SHIPS.

No. 2294, dated 14th January 1929, from Shipping Master, Bombay to Chamber.

APPENDIX XIII

I have the honour to forward herewith copy of letter, dated 10th November 1928, from Sir Atul Chatterjee to the Hon'ble Mr. A. C. McWatters, in connection with the question of the international regulation of hours of work on board ship and request that you will be good enough to furnish this office with all the information possible in the question, the information being required by Government before the 5th of February 1929.

42, Grosvenor Gardens, London, S.W.1.

The 10th November 1928.

My dear McWatters,

As you know, the principal item in the Agenda of the special Martime Session of the I. L. Conference, which will be held in October 1929, is the question of the international regulation of hours of work on board ship. This will be the first discussion of the subject and the 1929 Conference will be called upon to give directions to the Office for the framing of a questionnaire to be sent to Governments prior to the second discussion of the subject, which must be held at a

further Martime Session in the following year. The I. L. C. has therefore to prepare at once a preliminary report giving a survey of the law and practice on the question in the different Martime countries and concluding with proposals for a questionnaire. The Director is very anxious, in view of the experience of the Genoa Session and of subsequent developments, that this preparatory work should be carried out on practical lines. The Joint Maritime Commission, which is a Committee composed of representatives of ship-owners and seamen, have advised the Office to approach the Governments of the maritime countries with a view to collecting this information in consultation with the shipowners and seamen in their respective countries. The Director has now approached me with a view to moving the Government of India for the necessary information. Precise information is desired on the following points:—

The determination of the kind of work done by men of different categories;

The normal hours of labour both at sea and in port;

The importance of overtime work and the kinds of payment therefor;

The necessary numbers of men required for different tasks, etc. —according to the type of navigation, and all other necessary complementary and related problems.

As regards the different classes of vessels, the fore-going information should be collected in respect of foreign-going, home and coasting trade vessels, both passenger and cargo, on board which work is either organised in watches or not, with further sub-divisions according to the nature of the trade so as to take account of the variations in the time at sea and in port due to the voyage on which the vessel is engaged and to special trade customs.

2. The official letter will be addressed to you by the Director of the Labour Office, but I have been requested both by Thomas and by Butler (the latter came to see me a few days ago) to write to you personally and to request that the Indian Government would be kind enough to co-operate with the Office in this matter.

3. I feel that it would be to our interest that the preliminary work done in the Labour Office should be precise and accurate. and I hope that it will be possible for the Government of India to help the Labour Office in this matter.

Yours sincerely.

Atul C. Chatterjee.

The Hon'ble Mr. A. C. McWatters, C.I.E.

No. 344, dated 14th February 1929, from Chamber to Shipping Master, Bombay.

With reference to the correspondence, on the above subject, ending with this Office No. 272, dated the 5th February 1929, I am directto send to you herewith a Note submitted to my Committee by the General Manager of the Scindia Steam Navigation Company, Ltd., on the same. Further information, if available, regarding the subject will be forwarded to you in due course.

Note prepared by Mr. M. A. Master on the International Regulation of hours of work on board a ship, with reference to letter No. 2294, dated 14th January 1929 from the Shipping Master, Bombay, to the Secretary, Indian Merchants' Chamber, Bombay.

The information given below in connection with the various points raised in the communication received from the Shipping Master addressed to the Secretary, Indian Merchants' Chamber, Bombay, relates to the Officers, Engineers and Crew of the steamers of the Scindia S. N. Co. Ltd. The steamers of the Scindia Company are all foreign going cargo vessels and are engaged at present in the coasting trade of India, Burma and Ceylon.

As regards the hours of work on board ships so far as we are aware, there is no law existing in this country which regulates them. The usual practice. however. is as mentioned below and is based on the requirements of a cargo vessel of about 7000|8000 dead-weight tons engaged in the Coasting Trade of India, Burma and Ceylon.

Manning of the Engine Department.

Officers: 5 Engineers—Chief Engineer, 2nd Engineer, 3rd Engineer, 4th Engineer and 5th Engineer.

Crew: 1 Serang, 2 Tindles, 3 Greasers, 2 Donkeymen. 1 Kassab, 1 Winchman, 9 Firemen, 9 Trimmers, and 1 Bhandary.

Kind of work done by men of different categories and their normal hours of work both at sea and in port.

AT SEA.

Chief Engineer: He is in full charge of the Engine Department with full authority over the Engineers and crew manning his department and is responsible for the work of the Engine Room.

The day is divided into 6 watches of 4 hours each. They are divided between the 2nd, 3rd and the 4th Engineers, i. e. each of them has to keep 2 watches which means 8 hours of work.

2nd Engineer: He has to keep watch from 4 A.M. to 8 A.M. and again from 4 P.M. to 8 P.M. He has to put in 2 hours extra work as required during the day for general supervision & management of his department under the instructions of the Chief Engineer. He has to keep the rough log books which are to be submitted to the Chief and is also responsible for the issue of stores for his department.

3rd Engineer: He has to keep watch from 12 noon to 4 P.M. and again from midnight to 4 A.M. He is to put in 2 hours of field work for the overhauling of Auxiliary machinery whenever required.

4th Engineer: He has to keep watch from 8 A.M. to 12 noon and again from 8 P.M. to 12 midnight, which is supposed to be the Chief Engineer's watch proper. The Chief Engineer, however, does not keep watch as he has to look after the whole department and is responsible for its efficient working. He has also to put in 2 hours of Field work for the overhauling of any auxiliary machinery during the day whenever required.

5th Engineer. His working hours are from 7 A.M. to 5 P.M. with 2 hours off for meals. He has to attend to the overhauling work connected with the deck or Engine room auxiliary machinery and is assisted by a winchman or donkeyman or fireman as necessary. On Saturdays & Sundays as well as on holidays, having no field work

to do, he is taken down in the Engine Room by the 2nd Engineer for training him in the work of keeping watch.

In addition to this regular work at sea, any or all the Engineers have to report themselves for work in case of emergency any time at day or night as required by the 2nd or the Chief Engineer.

Further, when the vessel is leaving a port or is in close proximity of a port, all Engineers are expected to be at their 'Stand-By' stations in the Engine Room as required by the Head of their department.

It would thus be observed that under normal circumstances, the 2nd, 3rd and 4th Engineers have to put in 10 hours of work at sea while the 5th Engineer has to put in 8 hours of work except when he is to be trained in the work of keeping watch.

IN PORT.

The usual practice is that all Engineers have to work from 7 A.M. to 5 P.M. with 2 hours off for meals. When the steamer is working cargo at night one of the Engineers has to put in work from 6 P.M. to 6 A.M. i.e. 12 hours work. This work is generally done by the 5th Engineer and sometimes done by turns, and the Engineer who has to put in work at night has not to work during the day.

Banked Fires. In case the steamer is not to stay in a port for a long time, and the fires are to be banked, one of the Engineers by turn has to keep watch at night for 12 hours from 6 P.M. to 6 A.M. It is understood that the Engineer who keeps watch at night will have no work during the day.

CREW:

AT SEA:

Serang: He keeps his watch along with the 2nd Engineer both during day and night and supervises the firemen in the stokehold. He is held responsible for maintaining steam pressure as well as for the consumption of coal.

Tindals. Each of the Tindals like the Serang is in charge of the watch either along with the 3rd or the 4th Engineer as the case may be both during day and night, and supervises the firemen in the stokehold.

Cassab. He has to work from 7 A.M. to 5 P.M. with two hours off for meals and has to look after the Engine stores and to prepare the night lamps and to attend to the gear etc

Winchman. He has to overhaul and to look after all the winches on deck with the 5th Engineer under the supervision of the 2nd Engineer. or sometimes independentlv. with the assistance of some firemen or Trimmer.

Donkeyman. He has to attend to the working. scaling. cleaning and overhauling of the Donkey Boiler at sea and his hours of work are 7 A.M. to 5 P.M. with 2 hours off for meals. One of the Donkeymen (when there are 2) is often required to do the greasing work on the main engines when the ship, carries only 2 greasers. One of the Donkeymen is also required to attend to the sundry work in the Engine Room during the day as required by the 2nd Engineer.

Greasers. Each one of the 3 greasers keeps 2 watches of 4 hours each with each of the Engineers and has to grease the main engines day and night.

Firemen. The number of firemen depends upon the number and nature of boilers in the ship as well as on the number of furnaces contained in each of the Boilers. In a ship carrying 3 boilers each containing 3 furnaces, 9 firemen will be necessary. If the ship were to carry 2 double ended boilers, with 6 furnaces in each, 12 firemen will be necessary. 3 firemen go down the engine room in a watch of 4 hours with each engineer. In other words, each of the firemen has to keep 2 watches of 8 hours each.

Trimmers. They also have to keep 2 watches of 4 hours each. The number of trimmers will depend upon the position of the bunkers in relation to the boilers and the engine room. They have to trim coal into the bunkers, discharge the same into the stokehold and have to attend to the cooling, collecting, heaving up and dumping overboard of ashes from the stokehold.

Bhandary. His normal hours of work are from 7 a.m. to 5 p.m. with two hours off for meals. Although the normal hours of his work are 8 hours, as he has to get up early for preparing breakfast for the crew, etc., in actual practice, he has to put in nearly 14 hours

of work. He has to attend to the cooking work of the whole crew. He is sometimes given the assistance of a mate if there is a large number of crew or if there is pressure of work.

It could be seen from what has been stated above that the Serangs, Tindals, Kassab, Winchman, Donkeymen, Greasers, Firemen, Trimmers all put in 8 hours of regular work at sea.

In Port all the members of the crew have to put in 8 hours of work from 7 to 5 p.m. with 2 hours off for meals.

When the ship is working cargo at night, the two Donkeymen divide the work between themselves, i.e. each of them have to put in 12 hours of work. They are assisted by a coal trimmer and a Fireman or greaser as required.

The 5th Engineer has to keep on the whole night (he is not to work during the day on that day). In practice whoever has to work in the Engine Department at night, while ship is in port, is relieved of work during the day.

DECK DEPARTMENT

The Deck Department is manned as under:—Captain, 1st Officer, 2nd Officer, 3rd Officer and such number of Apprentices as may be taken by the Ship, 1 Clerk, 1 Wireless Operator, 1 Carpenter.

Crew. 1 Serang, 1 Tindal, 4 Seccunnies, 12 Lascars 1 Kassab, 1 Bhandary and 1 Topaz.

The Captain of the ship has complete control over the whole vessel and is responsible for the working of the steamer as a whole.

AT SEA.

1st Mate. He keeps two watches from 4 a.m. to 8 a.m. and from 4 p.m. to 8 p.m. He has to look after the general upkeep of the whole ship except the Engine Room. He is in direct charge and supervision of everything connected with cargo and has to look after all matters connected with the well-being of the ship under the general supervision of the Captain. He is required to put in 2 to 3 hours extra work on this account in addition to the 2 watches that he has to keep.

2nd Mate. He has to keep his watch from mid-night to 4 a.m. and from noon to 4 p.m. He navigates as check to the Master which means that he has to put in further work for 1 1|2 hours during his off hours.

3rd Mate. He has to keep, his watch from 8 a.m. to noon and from 8 p.m. to mid-night. During his watch from 8 a.m. to noon he is relieved by the 2nd Mate for meals. He, however, relieves the 2nd Mate for lunch and the 1st Mate for dinner. He has to do this during his off hours which means 1 hour extra work in addition to the two watches of 8 hours which he has to keep.

It will thus be seen that at Sea the 1st Mate puts in nearly 11 hours work, the 2nd Mate puts in 9 1|2 hours work while the 3rd Mate puts in 9 hours work.

IN PORT.

The 1st, 2nd and 3rd Mates are supposed to be on duty from 6 a.m. to 6 p.m. with 2 hours off for meals. The 1st Mate has to turn out at night for any unforseen emergencies connected with the ship or cargo.

The 2nd Mate has to put in 10 hours work either during day or night as directed by the 1st Mate. If there is no night work or anchor watch to be kept in doubtful weather, one of the two Mates keeps ship but turns in with orders to be called in case of emergency.

3rd. Mate. Duty under similar conditions as 2nd Mate.

At Sea—Apprentices. Generally speaking for the 1st or 2nd year, they put in 12 hours work with an hour off for meal. They have to carry out such work as they may be asked to do either by the Master of the vessel or the 1st Mate.

Clerk. At sea, no fixed hours. He works according to his convenience. He will have very easy time.

In Port, he works from 6 a.m. to 6 p.m. with 2 hours off for meal.

Wireless Operator. At Sea. The Wireless Operator has to put in 8 hours work at sea according to schedule Greenwich mean time in different zones fixed by the Post Master General.

In Port, no fixed hours of work. He works according to his convenience for overhauling the Wireless Machinery.

Carpenter...At Sea, he work from 7 a.m. to 5 p.m. with 2 hours off for meal. **In Port and at sea,** they get half day off on Saturday and full day on Sunday excepting few minutes in the morning and evening for taking and reporting Tank and Bilge soundings. Carpenters have to attend to their stations on approaching anchorage and have to turn out in emergencies which are extremely few.

DECK CREW

Lascars. Ordinarily the work of the Lascars consists of cleaning and washing decks, cleaning and painting ship in and out, chipping scaling and painting ship in and out, making renewing and maintaining cargo gear, stacking dunnage and cleaning of holds and bilges after the discharge of cargo each time, mooring and unmooring ship and many other odd jobs connected with the up-keep of the ship and cargo.

At Sea. They have to put in at sea work from 6 a.m. to 5 p.m. with two hours off for meal. They have further to keep a look-out from Sunset to Sunrise by turns. Thus they have to put in 10 hours work at sea.

In Port, they are on duty from 6 a.m. to 5 p.m. with 2 hours off for meal, i.e., they are required to put in 9 hours work. They get at sea as well as in Port generally 1|2 day off on Saturday and a whole day on Sunday after washing down in the morning.

Serang, Tindal and Cassab. The Serang is the headman. Tindals are his assistants. The Serang supervises the work of the Lascars. Cassab is the man who is in charge of the ship's lamps, paints and cargo gear.

At Sea. They have to put in 10 hours work at sea and 9 hours work in Port. They are required to turn out for any emergencies at any time during night. In this they are unlike the Lascars.

Seccunnies. At Sea and in Port. They steer ship, make or repair flags, awning and other sewing work and many odd jobs round and about the bridge. On approaching port one of them takes the casts of lead for soundings. In port they keep gangway watch night and day in turns and attend to signals.

At Sea as well as **in Port,** they have to keep watches in batches of 2 for 4 hours i.e., 4 hours off and 4 hours on duty; each of them therefore have to put in 12 hours. While in port they have to act as watchmen on the gangway and keep an eye all round. When the ship is approaching within the close proximity of a port like that of Bombay, Colombo, Madras, Calcutta, Rangoon or in other words when the ship is in charge of a Pilot, the Seccunnies who are off duty have to attend to their stations.

Saloon Crew. The Saloon crew is composed of Butler, Pantryman, Cooks and General servants about 8 in number.

The Butler is the head. The Pantryman attend to the Pantry and the saloon. General servants attend to Captain, Mates and Engineers.

Both **at Sea** as well as **in Port,** they have to put in 12 to 14 hours work like domestic servants at home. They have, however, many easy moments in between their hours of work and have not to come out at night.

It will thus be seen that the normal hours of work for the Engine Room crew is 8 hours, while that for the Deck crew is 10 hours and in case of Succunnies 12 hours. The normal hours of work for the Engineers are 10 hours while the normal hours of work for the Officers vary from 9 to 11 hours. It may be added that the officers have generally to supervise and have a more easy time than the Engineers who have to work with their hands.

Overtime work and how paid for. So far as the Officers, Engineers and the crew working in the coasting trade are concerned they are not so far as we know paid any overtime for work done beyond the normal hours.

APPENDIX XIV

QUESTIONS RELATING TO HOURS OF WORK AND ORGANISATION OF WORK ON BOARD SHIP.

No. 465-M. 1|29, dated 19th April 1929, from Government of India, Commerce Department to Chamber.

You are probably aware that the Maritime Session (13th Session) of the International Labour Conference which will be held in

October 1929 will deal **inter alia** with the question of the regulation of hours of work on board ship. The International Labour Office, Geneva, are preparing in this connection a survey of the law and practice in force in the different maritime countries and they have for that purpose drawn up a list of questions on which they desrie information to be collected. I am to forward a copy of their Letter No. M.A.-1|8|33, dated the 5th February 1929, and enclosure, and to request that such information as may be available, together with any observations which your Chamber may desire to make on the subject, may be sent to this Department through the Port Officer, Bombay.

I am also to ask that your reply may be sent to him not later than the 1st July 1929.

No. M.A.-1|8|33, dated 5th February 1929, from the Director, International Labour Office to Government of India Commerce Department.

As you have already been informed, your Government will shortly receive the official letter of convocation to the Thirteenth Session of the International Labour Conference, which will be held in October next and will be specially devoted to maritime questions.

2. In the meantime I have the honour to request your assistance in the documentation which the Office is collecting upon one of the items on the agenda, viz., the **regulations of hours of work** on board ship.

3. A preliminary report upon the questions, prepared by the International Labour Office, will contain a suvey of the legislation and practice in the various maritime countries and will be the basis of discussion in the Conference.

4. The Office has already collected considerable information upon the subject, which requires, however, to be checked and extended. The Joint Maritime Commission of the International Labour Office, which consists of representatives of shipowners and seamen, has therefore pointed out the method which should be followed and in particular has suggested that the information collected by the Office should deal with the existing law and its application as well as the practical organisation of work on board ship.

5. The Commission also pointed out that the collaboration of shipowners and seamen would ensure the accuracy of the information obtained and to this end it asked the Office to suggest to the Governments the organisation of joint consultations of shipowners and seamen.

6. Some of the principal maritime countries have already arranged for conferences between the representatives of the shipowners, the officers of the merchant marine and the seamen in order to prepare as precise a statement as possible upon the actual practice in regard to regulation of hours of work.

I venture to hope that the Government of India may consent to take similar action. In any case I should be grateful to receive any documentation which your Government may possess or may be able to obtain upon the subject. Owing to the special conditions in India information concerning the hours of work on board ships manned in India would be of special interest to the Conference. The Office would also be grateful to receive official information concerning the large number of Lascars who are engaged in India for employment in British and foreign vessels.

7. As an example of the type of information required I have the honour to enclose a list of questions drawn up by the Office, and addressed to the Governments of all the maritime countries. It should be understood, however, that it is by no means necessary for the information which you may be good enough to supply to be fitted rigidly into the form of answers to these questions. The questions are a general indication of the scope of the information required and are intended to render the information received from the various Governments easily comparable. Their rather detailed character is due only to the diversity in the law and practice of the various countries whose Governments have been asked to supply information and your Government is of course free to forward its information to the Office in the form which it finds most convenient. Owing to the special conditions in India your Government may perhaps in particular desire to modify or alter the questions so as to take into account the distinctions required by the employment of Asiatic seamen.

8. The documentation which your Government may be good enough to supply will, as I have said, be of great value to the Office,

which remains at the disposition of your Government should you desire any further information on the subject.

NOTE: The list of questions and the Chambers' reply thereto are not printed here. The same are available for reference in the Library of the Chamber (No. Lab. 196).

APPENDIX XV

CLOSING DOWN OF NIGHT WORK IN THE BOMBAY DOCKS AFTER 1-30 A.M.

No. 306, dated 17th January 1929, from the Secretary, Bombay Port Trust to Chamber.

I am directed to forward herewith a copy of Trustees' Resolution No. 4, dated 2nd January 1929 and to request with reference to paragraph 9 of the Deputy Chairman's note and the Staff Sub-Committee's recommendation No. 3 printed in the preamble to the Resolution, that you will be good enough to furnish the Trustees with the opinion of your Chamber as to the feasibility of closing down night work in the Docks at 1-30 a.m. except in unavoidable cases.

Excerpt from the Proceedings of a Meeting of the Trustees of the Port of Bombay held on 2nd January 1929.

"9. Working hours—(b) Night Work. The present hours for night work (full night) are 7-30 p.m. to 3-30 a.m. and 7-30 p.m. to midnight (half night). On an average the **maximum** amount of night work performed by any member of the staff is 12 nights in the month. As a rule this work is split up over the month, consecutive nights on duty are avoided as far as possible but certain classes, e.g., Export Cargo Receivers, have to be kept on duty as long as the ship on which they are employed is loading, and this may at rush times run into four or five consecutive nights. It is admitted that night work on top of long day hours is objectionable but it must continue so long as trade demands it. As the Docks Manager points out, our dock accommodation is limited and if the quick turn-round of vessels were hampered, congestion would inevritably follow and the trade of the port would suffer. The ideal system would be a double shift throughout but apart from the

prohibitive expense to the port Trust, staff have definitely resolved, **vide** the Union Secretary's letter of 28th September 1928, that they wish to retain their privilege of earning overtime by night work and that the withdrawal of this privilege would entail great hardship. This is undoubtedly the case; the payment for overtime is liberal, ordinary pay **plus** 50 percent compensatory allowance. The Union now ask that all night work should cease at 1-30 a.m.,—the period 7-30 p.m. to 1-30 a.m. to count as **full** night's overtime. It may be pointed out that upto a few years ago night work was allowed upto 6 a.m. The Trustees, in the interests of the health of the staff, then decided that unless for very exceptional and unavoidable reasons, all night work should close down at 3-30 a.m. The Docks Manager has reported fully on this question and, for the reasons stated, he is strongly opposed to any further curtailment of the night work hours. I am forced to agree with his contentions though I think that the two Chambers might be consulted as to the feasibility of closing down night work at 1-30 a.m. except in unavoidable cases. We could not however agree to pay the staff a full night's overtime for working from 7-30 p.m. to 1-30 a.m., this would only count as 3|4ths of a night and they would therefore suffer financially. The difficulty as pointed out by the Docks Manager, will increase with any progressive expansion of trade. Our existing dock accommodation will be unable to cope with any expansion unless work is speeded up all round and unless ships are turned round with the maximum of despatch."

Staff Sub-Committee's recommendation No. (3);

"As regards **night work** the Sub-Committee agree that the Chambers of Commerce should be consulted as to the feasibility of closing down night work at 1-30 a.m. in all but exceptional cases. They consider it doubtful, however, whether this will be found practicable and whether, in any event, this curtailment would be welcomed by the staff generally, seeing that it would involve a substantial reduction of their overtime earnings."

No. 646, dated 16th March 1929, from Chamber to Bombay Port Trust.

With reference to your Letter No. 306, dated the 17th January 1929 on the above subject, I am directed to send hereby the views of my Committee.

My Committee are of opinion that no reduction in hours of working should be made on the basis of a corresponding reduction in the wages, as the workers are not inclined to accept such a reduction. They would, however, welcome a reduction in the hours of working, if possible, without a corresponding reduction in the wages.

APPENDIX XVI

RULES REGARDING APPOINTMENT OF CANDIDATES TO THE BENGAL PILOT SERVICE.

No. 214-M. 11|29, dated 26th June 1929, from Government of India, Commerce Department to Chamber.

With reference to the correspondence resting with the letter from this Department No. 214-M 11|29, dated the 10th May 1929, on the above subject, I am directed to forward a copy of the Notification issued by this Department publishing revised rules for the appointment of candidates to the Bengal Pilot Service.

2. It will be observed that under these rules, the age limit for entrance into the Bengal Pilot Service for candidates appointed in India has been raised from 22 to 23 years.

DEPARTMENT OF COMMERCE NOTIFICATION.

Mercantile Marine

Simla, the 29th June 1929.

No. 214-M.-11|29.—The following revised rules for the appointment of candidates to the Bengal Pilot Service are published for general information, in supersession of those published with the Notification of the Government of India in the Department of Commerce, No. 141-S. (12), dated the 9th June 1928.

BENGAL PILOT SERVICE.

Rules for the appointment of candidates to the Bengal Pilot Service.

1. Appointments to the Bengal Pilot Service are made by the Governor General in Council on the advice of the Public Service Commission in India and of the High Commissioner in England.

Appointments are made in England only when the Governor General in Council has been unable to make suitable appointments in India.

A.—Appointments in India.

2. The selection of candidates for admission to the Bengal Pilot Service shall be made in India at such time as the Governor General in Council may direct.

3. A candidate shall apply in such form and before such date as the Public Service Commission may direct. The application shall be made to the Secretary, Public Service Commission.

4. A candidate must be a male and must be either:—

(1) a British subject of Indian domicile who was and whose father and mother were born within His Majesty's Dominions and allegiance.

(2) a British subject of Indian domicile whose father was at the time of the candidate's birth and still is (or, if dead, continued until his deaths to be) a British subject or a subject of a State in India. or

(3) a Ruler or a subject of a State in India in respect of whom the Governor General in Council has made a declaration under Section 96-A of the Government of India Act.

5. A candidate must not have attained his twenty-third birthday on the first day of July of the year in which the selection is made.

6. A candidate must be in good mental and bodily health and free from any phyaical defect likely to interfere with the efficient performance of the duties of a member of the Bengal Pilot Service. A candidate who after selection is found by a Medical Board not to satisfy these requirements will not be appointed.

7. A candidate must satisfy the Public Service Commission that his character is such as to qualify him for employment in the Bengal Pilot Service.

8. A candidate must be in possession of a Certificate of Competency as second mate (foreign-going). Preference will be given to candidates who have passed through the Indian Mercantile Marine Training Ship "Dufferin."

9. A candidate must if so required attend for interview by the Public Service Commission at such time and place as may be arranged by the Commission.

10. Candidate must pay the following fees:—

(i) Rs. 5 with the application form, and

(ii) if selected Rs. 16 before examination by a Medical Board.

11. No recommendations exeept those invited in the form of application will be taken into consideration. Any attempt on the part of a candidate to obtain support for his application by other means may disqualify him for selection.

12. The Public Service Commission shall forward to the Governor General in Council a list in order of preference of those candidates whom they consider suitable for appointment.

B.—Appointments in England.

13. A candidate must be a male British subject.

14. A candidate must not have attained his twenty-second birthday on the first day of July of the year in which the selection is made.

15. A candidate must be in good mental and bodily health and free from any physical defect likely to interfere with the efficient performance of the duties of a member of the Bengal Pilot Service. A candidate who after selection is found by a Medical Board not to satisfy these requirements will not be appointed.

16. A candidate must satisfy the High Commissioner that his character is such as to qualify him for employment in the Bengal Pilot Service.

17. A candidate must be in possession of a certificate of competency as second mate (foreign-going). Preference will be given to candidates who have passed through one of the Training Ships "Worcester" and "Conway" or through the "Pangbourne Nautical College."

18. The selection shall be made in accordance with arrangements made by the High Commissioner.

Note.—Selected candidates will be on probation until they pass the Mate Pilot's Examination.

APPLICATION FORM.

Write your name here——————————————

For the use of men seeking admission to the Bengal Pilot Service.

A copy of the rules of recruitment is sent herewith. Candidates should consult it to see if they are eligible before filling up this form.

2. This form is to be filled up and submitted to the Secretary Public Service Commission, in time to reach him on or before No application form received after that date will be accepted.

3. Should any of the particulars furnished be found to be false within the knowledge of the candidate he will, if appointed, be liable to be dismissed. The wilful suppression of any material fact will be similarly penalised.

4. The following documents must be sent in with the application form:—

(i) Satisfactory evidence that the candidate has not attained the age of 23.

(ii) A certificate of character from the head of the School, College or Training Ship last attended by the candidate.

(iii) Certificates of character from two responsible persons (not relations) who are well acquainted with the candidate in private life and un-connected with his School, College or University.

(iv) A copy of the candidate's certificate of competency as second mate (foreign-going).

(v) A declaration of domicile in writing signed by the candidate and attested by not less than two responsible persons.

(vi) A treasury receipt for Rs. 5. Application unaccompanied by this receipt will be ignored.

Candidates will be required, if selected, to produce the originals of their certificates, if copies have been submitted.

5. A candidate for whom a declaration under section 96-A. of the Government of India Act is necessary must take early steps in order that the declaration may be in the hands of the Public Service Commission before the final selection is made.

1. Name in full.

2. Postal address in full. Any change of address should be at once communicated to the Secretary, Public Service Commission.

3. Exact date of birth and age last birthday.

4. Place of birth and Province or State in which it is situated.

5. Your nationality at birth. Do not state your caste or religion but your legal nationality, e.g.. British subject, subject of Travancore State.

6. Your community, religion, caste, sect.- etc.

7. Your father's name, place of birth and nationality at birth.

8. Did your father ever change his nationality? If so, give particulars.

9. Is a declaration under section 96-A., necessary to your eligibility? If so, have you taken steps to have it made?

10. Your father's postal address (if dead, give last address) and profession.

11. Your mother's place of birth and nationality at birth.

12. Name in order, the schools you have attended since the age of 12, giving addresses and dates of entering and leaving, State any position of authority you held, and any distinction you attained in school work, games, school societies, etc.

13. Have you passed through the Indian Mercantile Marine Training Ship "Dufferin?" If so, give particulars.

14. Give the name of the officer of your School, College or Trainingship, and the names, professions, and present addresses (in full) of the two referees from whom you attach certificates of character.

15. Give particulars of your experience at sea.

16. If your time since leaving school is not fully accounted for by the replies given above, account for the remainder with dates.

If you have had employers, state their names and addresses in full.

17. Are you free from pecuniary embarrassments?

If you are under liability to repay money advanced by an institution or party for your education, state the particulars.

18. Signature and date.

I hereby declare that the entries made by me in this form are true to the best of my knowledge and belief.

Signature

Date

J. A. WOODHEAD,
Secy. to the Govt. of India.

No. 1534, dated 11th July 1929, from Chamber to Government of India, Commerce Department.

I am directed to acknowledge receipt of your Letter No. 214-M.-11|29, dated the 26th June 1929, and state that my Committee are glad to note that Government have been pleased to raise the age limit for entrance into the Bengal Pilot Service from 22 to 23 years. I am, however, directed to point out that rule 5 of the Government notification No. 214-M.11|29, Mercantile Marine, dated the 29th June 1929 is not quite clear as to whether the "23rd birthday will mean complete 23 years or complete 22 years." If it means the latter, the concession which is given in the letter of Government will not, my Committee fear, operate as candidates who have attained the age of 23 years will be precluded from admission. My Committee request Government therefore to be good enough to let them know as to what is the exact interpretation of the term "23rd birthday". To summarise our query my Committee would like to be informed whether the first birthday will be the day of birth or the day of completion of the first year. My Committee may be allowed to suggest that if the rule is drafted so as to provide that a candidate who is not more than 23 years at the time of his selection will be allowed admission, the position will be made clear.

No. 214-M.11|29, dated 13th August 1929, from Government of India, Commerce Department to Chamber.

With reference to your letter No. 1534, dated the 11th July 1929, on the above subject, I am directed to forward for the information of

your Chamber, a copy of a letter from the Secretary, Public Service Commission, No. F.36|29-S., dated the 9th August 1929, regarding the interpretation of rule 5 of the Bengal Pilot Service Appointment Rules, and to say that the Government of India agree with the views expressed by the Public Service Commission in their letter.

No. F-36|29-S., dated 9th August 1929, from the Secretary, Public Service Commission to Government of India, Commerce Department.

Subject:—Interpretation of Rule 5 of the Bengal Pilot Service Appointment Rule.

With reference to your letter No. 214-M.11|29, dated the 20th July 1929 on the above subject, I am directed to say that in the opinion of the Public Service Commission there is no ambiguity about the revised rule, since clearly the word "birthday" means "anniversary of the day of Birth" and it would be a misuse of language to describe the day of birth as the first birthday. The Commission therefore consider that there is no necessity to alter the revised rule.

APPENDIX XVII

REPORT OF THE MARINE COURT OF ENQUIRY RE. LOSS OF S. Ss. TUKARAM AND JAYANTI (Vide Annual Report for 1928).

No. 588, dated 8th March 1929, from Chamber to Government of Bombay, Marine Department.

With reference to the correspondence on the above subject, ending with your letter No. 99-M., dated the October last, my Committee have now obtained a copy of the Proceedings and Reports of the Marine Courts of Inquiry appointed to investigate into the circumstances attending the loss of the s.s. "Sant Tukaram" and the s.s. "Jayanti" and have considered the same along with the Press Note on the subject issued by the Director of Information on the 28th August 1928. My Committee find that two important questions arise out of this inquiry, one dealing with the nature and extent of the Life Saving appliances which such steamers ought to carry and the second ascertaining the official position of the Port and Marine authorities in

Bombay in regard to vessels reported missing or in distress off the Coast. My Committee shall deal with each of them separately.

As regards the Life Saving Appliances, my Committee observe from the proceedings of the inquiry that while the s.s. "Sant Tukaram" was licensed to carry 977 passengers during fair weather, she had under the rules only 4 Life Boats with an accommodation of 70 persons in addition to 250 Life Jackets and while s.s. "Jayanti", was licensed to carry 878 passengers during the fair weather, she had under the rules 4 Life Boats with an accommodation of 85 persons in addition to 35 Life Buoys and 350 Life Jackets. It will thus be observed that the s.s. "Sant Tukaram" had life boat accommodation only for 7 1|2 per cent of the persons licensed to be carried, while the s.s. "Jayanti" had such accommodation only for nearly 10 per cent. of the passengers licensed to be carried. While my Committee, however, appreciate the decision of the Government under the revised Life Saving Appliances (Native Passenger Ships Rules) rules that such steamer should provide accommodation for 30 per cent. of the passengers licensed to be carried in Life Boats and buoyant apparatus together and that they should carry one Life Jacket for every passenger carried on Board the steamer, my Committee are inclined to strongly endorse the recommendation of the Marine Inquiry Committee and urge upon the Government to accept the same that such steamers should be provided with rafts or other buoyant apparatus sufficient to support all passengers not provided for in the Life boats.

Steamers of the type of the s.s. "Jayanti" and the s.s. "Sant Tukaram" are not under any obligation to carry a Wireless apparatus under the existing rules. The following observations of the Marine Courts of Inquiry are significant in this connection:

> "The evidence shows that the ship was not fitted with Wireless apparatus. If she had been, the Master would have learnt that No. 7 signal had "been hoisted in sufficient time to enable him to return to Bombay or to go a place of safety for shelter."

Later on, in regard to the inquiry into the loss of the s.s. "Jayanti" the Marine Court says:

> "The ship was not fitted with a Wireless apparatus. If she had been, the fact of these signals being hoisted could have

been communicated to her and in that case the result might have been different."

It is evident from the proceedings of the inquiry that had the Master of the two ill-fated vessels been informed by wireless that they should proceed to the South instead of returning northwards which meant entering into the dangerous semi-circle of the cyclonic storm the vessels could have avoided the direct path of the cyclone and perhaps the result would have been quite different. In view of this, my Committee strongly urge upon the Government to consider the necessity of making it obligatory on such steamers to carry a Wireless apparatus.

My Committee also endorse the recommendation of the Marine Court Inquiry that every steamer not exempted by the Government should be supplied with a Barometer or aneroid. It should be made obligatory on Officers manning the Home Trade ships to be fully conversant with the working and use of these instruments.

Another important point which has come out during the course of the inquiry of the Marine Courts is the official position of the Port and Marine authorities in Bombay in regard to the vessels reported missing or in distress off the coast. According to the evidence of the Commander Kinch the Port Trust sends a tug in a case like the loss of the s.s. "Sant Tukaram" and the s.s. "Jayanti" within a radius of 200 miles at the request of the Owners or the Agents or the Masters of the ship or if an S.O.S. is received by them. So far as the official position of the Royal Indian Marine in such matters is concerned, no particular official duty is cast on them either to send a vessel out for help or for search apart from the general obligation of every sailor to do so. Not only is help to be rendered to the survivors of the ship that may meet with distress, but prompt and sufficient search has often to be made about the missing steamer for locating its exact position so that the shipping may be warned about it and the same may not constitute source of danger to navigation. As matters stand at present, there is no official obligation either on the Port Trust authorities or on the Royal Indian Marine in matters of this important magnitude.

The Marine Court felt that the Government should seriously consider whether apart from the duty of a sailor, they should not

impose a specific obligation upon the Royal Indian Marine or any other authority to send out vessels to the help or rescue of a ship reported as missing or in distress. The Government, unfortunately, have turned it down and have decided that it was not necessary to issue any specific orders in the matter. My Committee, however, wish to bring to the notice of the Government the following remarks made by the Marine Courts of Inquiry in regard to the attitude of Captain Sir Edward Headlam, the then Director of the Royal Indian Marine. The Marine Courts of Inquiry state:

> "We regret at the attitude taken up by Captain Headlam. One should have expected that a man in his position in the interest of the service to which he belongs and as a Government Officer would have voluntarily assisted and co-operated with a Marine Court of Inquiry constituted by the Government of Bombay under the Merchant Shipping Act XXI of 1923 rather have wasted its time by taking up the attitude he did".

Further, same Marine Court of Inquiry states:

> "We deplore the fact that instead of co-operating with the Court of Inquiry, Captain Headlam should have in the first instance disobeyed the process of the Court and obstructed an inquiry in the manner he did."

In view of the disclosure of the attitude of the Royal Indian Marine in a matter like this, my Committee are strongly of opinion that some official obligation should be imposed both on the Port Trust authorities and the Royal Indian Marine to send out vessels to the help or rescue of a ship reported as missing or in distress and to locate its position, with a view to issue timely warning to shipping so that the ship reported as missing or having foundered may not constitute a source of danger to navigation.

My Committee note that Government have turned down the suggestion of the Marine Courts of Inquiry that the Port Officer should communicate by telephone to all the shipping companies on his register the contents of the weather telegrams when weather conditions are bad. In view of the fact that the Port Officer under the existing practice circulates a copy of such telegram day and

night to three newspapers in Bombay and to 15 other authorities connected with shipping of the Port, it will not be putting an extra burden on him if an obligation is imposed upon him to communicate by telephone the contents of such weather telegrams to all shipping companies on his register, especially when weather conditions are bad. My Committee therefore hope that Government will reconsider the decision and issue the necessary instructions to the Port Officer in this connection.

My Committee agree with the decision of Government that the Port Officer should not have the power of preventing the sailing of any or all steamers under foul weather conditions.

APPENDIX XVIII

ELECTION OF CHAMBER'S REPRESENTATIVES ON THE BOARD OF TRUSTEES OF THE BOMBAY PORT TRUST.

No. 300 dated 17th January, 1930, from the Secretary, Bombay Port Trust to Chamber.

I am directed to bring to your notice that the term of office of the following Trustees elected by your Chamber will, under the provisions of Section 9 of the Bombay Port Trust Act 1879, expire on 31st March 1929:—

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.
The Hon'ble Sir Manmohandas Ramji, Kt.
Lalji Naranji, Esq.
Mathuradas Canji Mattani, Esq.
Lakhmidas Rowjee Tairsee, Esq.

I am to say that, under the provisions of Sections 6 and 10 of the said Act your Chamber is required to elect on some day between the 1st and 15th March 1929, 5 Trustees for a term of two years commencing from 1st April 1929.

No. 600 dated 8th March, 1929, from Chamber to Bombay Port Trust.

With further reference to your letter No. 300 of the 17th January 1929, I have to inform you that the following have been elected as the representatives of this Chamber on the Board of Trustees

of the Bombay Port Trust for a period of two years commencing from 1st April 1929:—

1. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., M.L.A.,
Navsari Chambers, Outram Road,
Fort, BOMBAY.

2. Mr. Devidas Madhowji Thakersey,
21, Forbes Street,
Fort, BOMBAY.

3. Mr. Velji Lakhamsi Nappoo,
188, Argyle Road, Dana Bunder,
Bombay, 3.,

4. Mr. Lalji Naranji, M.L.C.,
"Ewart House", Tamarind Lane,
Fort, BOMBAY,
and

5. Mr. Lakhmidas Rowjee Tairsee,
29-31-33, Bohra Bazar Street,
Fort, BOMBAY.

APPENDIX XIX

EXTENSION OF THE DEFERRED REBATE SYSTEM BY CONFERENCE LINE STEAMERS TO CONSIGNEES OF JAVA SUGAR (Vide Annual Report for 1928).

No. 15—M. 1 (2)|29, dated 8th May 1929, from the Government of India, Commerce Department to Chamber.

I am directed to acknowledge the receipt of your letter No. 2901, dated the 18th December 1928, in which under instructions from your Committee you draw the attention of Government to the introduction by the Conference Lines of a new clause in the Shipping contract for the carriage of sugar from Java to India according to which a shipper forfeits all claim to a rebate if the consignee to whom he sells the cargo imports sugar by steamers not belonging to the Conference Lines. Your Committee are of opinion that the introduction of this new clause

constitutes a very dangerous extension of the system of deferred rebates and one quite unknown in shipping circles till now.

2. In reply I am to say that it is doubtful whether your Committee was correctly informed as regards the date from which the clause in question was included in the conditions on which rebates are payable. Enquiries made show that the clause is not a recent addition to those conditions and although the Government of India are not aware of the exact date of its introduction, they find that it appeared in the freight circular issued by the Conference Lines in August 1923. It is true that in a circular sent out by the Agents in Java of the Conference Lines in September 1928 an intention was expressed to enforce the stipulation but the Government of India understand that this has not in effect been done. They do not propose to take any action in the matter.

No. 1235, dated 4th June 1929, from Chamber to Government of India, Commerce Department.

I am directed to acknowledge receipt of your letter No. 15-M. I (2) |29, dated the 8th May 1929, on the above, and to address Government as under:

My Committee beg to reiterate that the clause under reference does constitute a very dangerous extension of the system of deferred rebates and will positively harm the interests of Indian commercial community interested in the Java sugar trade if given effect to.

It may be that the clause has so far not been given effect to, but my Committee would like to point out that the very existence of such a clause in the contract form is a constant source of danger to the commercial interests and may be put into force without any notice at any time. They, therefore, request Government to be pleased to insist upon the immediate deletion of the said clause from the contract forms by the Conference Line steamers in the interests of the Indian commercial community.

No. 15-M I (2) |29 dated 15th July, 1929, from Government of India to Chamber.

I am directed to acknowledge the receipt of your letter, No. T 1235, dated the 4th of June 1929, in connection with the shipping

contract for the carriage of sugar by steamers belonging to the Conference Lines from Java to India and to say that the Government of India do not propose to take any action in the matter.

APPENDIX XX

HANDLING OF COAL DURING DISTURBANCES IN THE CITY—FORCE MAJEURE CERTIFICATES.

Letter from a few Members of the Chamber dated 18th February, 1929.

We hope you are aware that coal is shipped from Calcutta to this port under what is known as "Calcutta-Bombay" Charter-Party, a copy of which, we are enclosing herein. You will find that Clause 11 of the Charter-Party allows a fixed number of lay days—that is days during which the work of loading the cargo at the loading port and of discharging the cargo at the destination should be completed. For calculating such lay days, Sundays and Charter-Party Holidays are to be omitted.

Clause 3 of the Charter-Party provides that in case of strikes, lock out, **civil Commotions** or any other causes beyond the control of the shippers &|or consignees, which prevent or delay the loading &|or discharging, such time is not to count unless the steamer is already on demurrage.

It so happens that most of the coal importing firms in Bombay are Indians and members of our Chamber, while the steamship Owners are mostly foreigners represented by European houses in Bombay. The Bombay Chamber of Commerce is the body that generally decides such questions of dispute that may arise under the Charter-Party and also what days are or are not to be considered as lay days for the purpose of Charter-Party.

During the period of the civil disturbances in the city, commencing from the 4th instant, when the matters took a serious turn, as you know, all the business was paralysed and labour was not at all available for a number of days, because it became very risky for people to leave their houses for work. It was only a couple of days after the Curfew Order had been proclaimed that a slight improvement oc-

curred and even then, this quiet was taken advantage of by a large number of labourers to leave the city by train or ferries for their native villages.

Although matters have since considerably improved, the labour force required for normal work in docks and in the stream is still difficult or impossible to obtain and unless the people, who have left the city, return on establishment of normal conditions, the scarcity noted above will continue. About the labour employed in the handling of coal it may be mentioned here that it is a class by itself and ordinary coolies working general cargo, would not be able or willing to handle coal even for higher wages. It is a large number of this labour that has left Bombay and consequently the work is immensely hampered as every one in the trade knows. Several steamers requiring bunkers, had to leave without any coal or with just sufficient coal to reach the next coaling port during the period under consideration.

Some cargoes of coal reached Bombay during the time of the civil disturbances or commotions mentioned above, and some of the members of this Chamber are concerned as to what days should be fully or partly considered as lay days. We submit that the following is the correct statement of facts about the condition of the labour available from the 6th February to date—Monday the 18th instant:—

6th Feb. Disturbances continued but labour not affected.
7th Feb. Disturbances increased—no labour available.
8th Feb. Disturbances increased—no labour available.
9th Feb. Disturbances increased—no labour available.
(Sunday) 10th Feb. Disturbances increased—no labour available.
11th Feb. Very slight improvement.
12th Feb. Very slight improvement.
13th Feb. Very slight improvement continued—more labour available.

14th Feb. Improved condition—better labour conditions.
15th Feb. Improved condition—better labour conditions.
16th Feb. Improved condition—better labour conditions.
(Sunday) 17th Feb.

18th Feb. Improvement more marked but condition far from normal.

From the above daily report it should be clear that the days from 7th to 12th should be considered as "non diem" for the work of discharge of coal in the stream and at least four days subsequent to the 12th should be considered as half the ordinary lay days under the Charter-Party, as even up to the day of our writing this letter, normal conditions have not been established.

We request you to please take up this question with the Bombay Chamber of Commerce at your early convenience so as to obtain from them a decision as indicated above.

No. 409 dated 20th February, 1929, from Chamber to the Secretary, Bombay Chamber of Commerce.

The Committee of my Chamber have received a letter from some coal merchants regarding the handling of coal during the recent disturbances. I am directed to send a copy of this letter to you for the information of your Committee, with a request that they will be pleased to express their opinion on the specific proposal contained in the letter under question. My Committee feel that coal merchants have got a real grievance, and they will be obliged if your Committee will accept the suggestion.

No. 461|61 B dated 21st February, from Bombay Chamber of Commerce to Chamber.

With reference to your letter No. 409 of the 20th instant, I am to inform you that this Chamber is prepared to issue **force majeure** certificates covering the days on which, in the opinion of my Committee, contracts could not be fulfilled owing to the disturbances prevailing in the city. In such cases it will be necessary for the parties applying for the certificate to lodge with the Chamber the contract in question and also a statutory declaration verifying the reasons which prevented the applicants from fulfilling their contracts.

I might add for your information that my Committee have declared the 6th, 7th, 8th, 9th, 11th and 12th February 1929, as **dies non** in respect of which they are prepared, after verification, to issue

force majeure certificates under the conditions laid down in the first paragraph hereof.

A Specimen of the Force Majeure Certificate issued: Fees charged Rs. 25.

7th March 1929.

No. 582

The Committee of the Indian Merchants' Chamber do hereby declare that there were very serious riots in the City during the period commencing from 6th February to 15th February 1929 resulting in heavy casualties of both dead and wounded. During these riots all business in the parts of the City affected by the riots was at a standstill. The Committee declare all these days from the 6th February to 15th February 1929 inclusive **dies non** for the purposes of all contracts.

In accordance with this, they hereby issue a **Force Majeure** Certificate that Messrs. M. Bhuta & Company were not able to ship before the 15th February 1929 100 tons ground-nut oil-cakes expeller shipment to Messrs. Bakubhai Ambalal Limited, London, through their Bombay office.

APPENDIX XXI

SCHOLARSHIPS BY GOVERNMENT FOR THE STUDY OF AERONAUTICS.

No. 2019 dated 6th September 1929. From, Chamber to Government of India, Commerce Department.

The Committee of this Chamber understand that some scholarships are being given for the study of aeronautics in England and that a few students have already been sent from here. It was understood that they would be trained to qualify both for "A" and "B" Certificates. My Committee, however, now learn that they are being trained only for "A" Certificate, which it is understood, can be secured even in this country.

My Committee will be much obliged if you will kindly let them know the details regarding the scheme of scholarships and also the

training which will be given to the students and the work that will be given to them after they finish their studies in England.

No. V6 dated 20th September, 1929, from Government of India. Department of Industries and Labour to Chamber.

With reference to your letter No. 2019, dated 6th September 1929, to the address of the Secretary to the Government of India in the Department of Commerce, I am directed to inform you that the primary object of the scholarships which have been given for the study of Aeronautics in England is to train the selected scholars for service in the Civil Aviation Department of the Government of India. With this object in view a comprehensive programme has been laid down of which the following is a broad outline.

(1) A post graduate course of instruction in aeronautics, at the Imperial College of Science and Technology, the course to cover the following subjects:—

Aerodynamics.

Design of aircraft.

Material of aircraft construction.

Construction of aircraft.

Engine design.

Airships.

Air navigation and instruments.

Higher mathematics.

Meteorology.

(2) A course of flying training consisting of 40 hours on the "Moth" aeroplane, or other preliminary training machine, followed by 10 hours on an advanced type of machine; in each case, approximately half the time is occupied in dual control instruction and pupils are required to carry out satisfactorily certain flying tests. This course does not qualify scholars for the Air Ministry "B" licence for which inter alia a minimum of 100 hours Solo flying is now required, but it should give them sufficient knowledge of flying to enable them to carry out the duties which they are likely to be called upon to perform. They are not being trained as commercial pilots. Combined

with this flying training is a course of ground training comprising the following subjects:—

Airmanship, Theory of Flight, Engines, Rigging, Map Reading and Air Pilotage. In addition pupils receice special instructions in the various Departments of the Factory on the Aerodrome, i.e. Fitting Shop, Machine Shop, Saw Mill, Wood Detail Shop, Wood Assembly Shop, Erecting Shop, Sheet Metal Shop, Fabric and Dope Room, Engine Repair Shop, and with the Aerodrome Maintenance Staff.

(3) Nine months practical workshop training in an aircraft factory.

(4) Three months attachment to the Traffic Control Department, Croydon Aerodrome.

I am to enclose your information a copy of the Rules and Conditions for the grant of these scholarships and I am to add that eight scholars are now undergoing training under this scheme.

GOVERNMENT OF INDIA

DEPARTMENT OF INDUSTRIES AND LABOUR

(CIVIL AVIATION.)

Rules and conditions for the grant of a Sscholarship of the Value of £240 a year tenable in England for period of two years and three months for training in Civil Aviation.

I.—Statutory natives of India only are eligible for the scholarship.

II.—Candidates must be not less than 20 and not more than 26 years of age on the 1st July 1929.

III.—The mimimum educational qualification required is a B. Sc. degree in Engineering or Physics.

IV.—Candidates are required to undergo at their own expense a preliminary medical examination by a Civil Surgeon with a view to determining whether they are suffering from any disability which might prevent their acceptance on medical grounds. This preliminary examination will be carried out on the attached form. No application will be considered unless accompanied by the completed form for preliminary medical examination. Selected candidates will

later be required to undergo medical examination of a more searching nature under arrangements to be made by the Government of India.

V.—The selected candidate will be furnished with a second class passage to England; his tuition fees will be paid by Government, and he will be provided with a return second class passage to India provided that he observes the rules laid down by the Government of India or the High Commissioner ('vide' below) and completes the full period of residence or is compelled by sickness to return within that period.

VI.—The total duration of the course will be two years and three months, made up as follows:—

One College Session of nine months' duration at the Imperial College of Science and Technology, London; six months' flying training, nine months' practical workshop training and three months' attachment to the Traffic Control Department, Croydon, commencing with flying training of three months (1st July to 30th September 1929) at the De Havilland Flying School.

Flying training will be continued at week ends and during vacations.

VII.—(a) Government accept no liability in the event of an accident resulting in death or injury to a scholar in the course of his flying training.

(b) The scholar and his surety will be required to repay to Government, the amount of insurance premia that may be paid by Government to the Firm to whom the scholar may be attached for his practical workshop training, in order to enable the Firm concerned to insure against claims arising under the British Workmen Compensation Act, and the Employers' Liability Act.

Rules required to be observed by the scholar.

1. All Government scholars are required to avail themselves of the information and advice which the Joint Secretaries to the High Commissioner for Indian Students' work and the Local Advisers at University centres are in a position to give them, and to apply to their Local Adviser for instructions as regards their studies and in any circumstances of difficulty. Scholars studying elsewhere than at Man-

chester, Glasgow, Edinburgh, Oxford, or Cambridge will be under the charge of a Joint Secretary to the High Commissioner. The Adviser is the proper person to bring before the Joint Secretary to the High Commissioner any matter requiring the sanction of the High Commissioner or the Government of India.

2. Every scholar should, on reaching England, at once report himself to one of the Joint Secretaries at the Office of the High Commissioner in London, 42, Grosvenor Gardens, S. W. 1.

3. Every scholar must obey all instructions which he may receive either through the Joint Secretary to the High Commissioner or through his Local Adviser, and must consult his Local Adviser regularly in regard to his work.

4. Every scholar must from time to time, whenever the Joint Secretary or the Local Adviser requires it, submit a certificate from the proper college or university authority, or from any other authority under whom he is working, showing that his conduct and progress have been satisfactory.

5. Every scholar must give a written undertaking in the form attached that he will at once and without discussion of possible alternatives devote himself exclusively to the course of training laid down for him, that he will comply with all instructions and do whatever work may be involved. Any scholar who neglects his studies, or tries to work for any other profession concurrently, will render himself liable to forfeiture of his scholarship.

6. If a scholar fails (i) to observe and perform the conditions applicable to his training, or (ii) to complete his training in England (for reasons other than sickness duly certified by a Medical Board and not due to his own neglect) or (iii) to qualify as a pilot, or (iv) to return to India after completion of his training as and when directed by the Government of India or the High Commissoiner for India, he and his surety will have to refund to Government (up to a maximum of Rs. 19,300) all moneys paid to the scholar or on his behalf in respect of the scholarship, college fees, premia and travelling expenses. If also he fails to serve the Government of India, as required by Rule 15 below for a full period of 4 years on his return to India, after completing his training in England, he and his surety will have to re-

fund to Government (up to a maximum of Rs. 19,300) the moneys paid to the scholar or on his behalf as aforesaid less a sum of Rs. 4,825 for every complete year of his service under Government. To ensure the observance of these conditions, the selected scholar and his father or guardian must jointly execute a bond in the form annexed to these rules.

7. Every scholar will be required to keep a concise diary of his work to be submitted to the Joint Secretary or Local Adviser at the dates laid down in the rules for the keeping of such diaries.

8. Subject to a due compliance with the above conditions, the scholar's allowance will be paid quarterly in advance by the office of the High Commissioner to the Joint Secretary or the Local Adviser under whose charge he is. It will begin from the date of the scholar's reporting his arrival in England, and the Joint Secretary or the Local Adviser will disburse it to the scholar in such instalments as convenience may dictate. Three months after the date of reporting arrival, the amount to the ensuing official Quarter Day will be paid to the Joint Secretary or the Local Adviser, and subsequent payments will be made in advance on or after each official Quarter Day. The allowance will be at the rate of £240 a year. The necessary deductions will be made by the High Commissioner from the allowance to cover insurance premia which will be paid by Government to the Firm to whom the scholar may be attached for his practical workshop training, 'vide' Condition VII(b). The allowance may be withdrawn by the High Commissioner at the end of any year and it may be reduced while the scholar is being trained at works, if the employer recommends this course.

9. Every scholar is required to lodge with the Joint Secretary at the Office of the High Commissioner in London, before his arrival in England, the sum of £40 for initial expenses. He will have no claim of any instalment of his scholarship until this deposit has been made.

10. Charges for college fees, premiums for practical training, and the necessary travelling expenses of scholars by second class, or by third class if no second be available, will be defrayed by the High Commissioner. Applications for payment of all these charges

should be made through the Joint Secretary or the Local Adviser. But charges for private tuition, unless specially sanctioned, for books, instruments, hotel bills and medical attendance must be paid by the scholar himself.

11. No claim can be admitted for the payment of any expenditure unless the scholar has obtained previous sanction from the High Commissioner.

12. Every scholar will forfeit his scholarship, who not being disabled by illness or prevented by any other cause which the High Commissioner may consider sufficient, fails to comply with the rules here set forth. It may be terminated at any time if a scholar fails in health or conduct, or does not make adequate progress in his studies.

13. A scholarship will be terminated if a scholar is reported by his flying instructor to be unlikely to make an efficient pilot.

14. On the expiration of the scholarship the scholar will be provided by the office of the High Commissioner with a free second-class passage to India, and he should apply for it without delay his Joint Secretary or Local Adviser. He is not entitled to make his own passage arrangements and to claim an allowance in lieu from the office of the High Commissioner. If a scholarship be forfeited, or if it be resigned before completion of its term, the scholar will lose his claim to a free passage back to India.

15. The scholar should clearly understand that the grant of the scholarship does not entitle him on completion of his course to an appointment in Government service, but he should, immediately on his return to India, report his arrival to the Government of India, and, if required, serve the Government in the Civil Aviation Department for a term of four years, on an initial salary of not less than Rs. 400 per mensem.

APPENDIX XXII

THE BOMBAY TELEPHONE CO. AND THE MESSAGE RATE SYSTEM.—LICENSE OF THE BOMBAY TELEPHONE COMPANY

No. 2264 dated 15th October 1929, from Chamber to the Bombay Telephone Company.

The attention of the Committee of this Chamber has been drawn to an Agreement form which has been sent to some of your subscribers recently for their acceptance and signature. These subscribers are old customers of your Company and have never been asked to sign a similar agreement in the past when a renewal fee was to be paid. It appears that the agreement contains a Clause to the following effect:—

> "The Company having under consideration the adoption of the Message Rate System which will require that all hiring contracts shall be terminated simultaneously, it is expressly agreed that from and after the date on which the Company shall notice by advertisement in the Public Press of the intention of the Company to adopt the Message Rate system as from a date to be specified in the notice, the Company may notwithstanding anything to the contrary hereinbefore contained determine this contract by Three Calendar Months' previous written notice, expiring at any time, but on the understanding that in the event of determination the Subscriber shall be entitled to a refund of the subscription properly attributable to the unexpired period of the hiring."

My Committee would like to bring to the notice of your Board that the Message Rate System referred to in the aforementioned Clause has under directions of the Government of India been held in abeyance and, so far as my Committee are aware, no permission has been given by Government to revive that scheme. Under these circumstances, my Committee think that it is hardly fair to take signatures of your subscribers to an Agreement which implies that subscribers by giving their signatures record in anticipation their approval of the Message Rate System. The Bombay Telephone Company, my Committee are of opinion, are bound to renew telephone connections

under the existing terms relating to subscriptions, etc. and they cannot get approval of their subscribers to the Message Rate System by this method of putting forward before them the alternative of either signing the agreement or having their telephones disconnected. My Committee propose to publish this letter in the Press, so that all the telephone subscribers may be warned against putting their signatures to any such agreement. If any subscribers have already given their signatures under a misunderstanding they must be clearly asked as to whether they approve of the Message Rate System or not.

No. 7414 dated 16th October, 1929, from Bombay Telephone Co., Ltd., to Chamber.

I have to acknowledge receipt of your letter No. 2264 dated the 15th instant.

In reply I have to say that the contract which subscribers are being asked to sign is the ordinary form of contract which has been used for new lines for the past few years.

The clause relating to the introduction of the Message Rate System of Charges can have no effect unless and until the Government of India sanction the introduction of such a system. The matter is in any event of comparatively small practical importance as the Company is always in the position to terminate contracts with subscribers at the end of the period in respect of which the contract has been entered into by due notice in accordance with the terms thereof. A subscriber in no way implies by executing the contract that he approves of a Message Rate System of Charges.

I regret that I am unable to accept the contention that my Company is in any way bound to renew an agreement on its expiry upon the same terms. The Company can and does offer telephone service on terms within the conditions laid down in the License from the Government of India under which the Company operates.

For your information I may point out that all subscription have for the last four years been accepted upon the condition relating to the introduction of the Message Rate System of Charges to which you refer and that regardless of the terms set out in the printed contracts subsisting between subscribers and the Company all subscribers are accordingly subject to that condition.

No. G|C 22 dated 28th November 1929. from Bombay Telephone Co.. to Chamber.

With reference to my recent interview with the Sub-Committee of the Chamber, I now confirm what I then stated. viz.. that my Board and I consider that an argument that persons who sign the form of contract now being used by the Company express by doing so approval of the introduction of a Message Rate System of Charges would be totally untenable, and would be received by the Government of India or any other party with derision.

Quite apart from this view I am to say that no attempt will ever be made on behalf of the Company to make such use of the condition of the contract.

My Board accept the Chamber's suggestion that agreements in future should provide for six months' notice instead of three months' notice by the Company in the event of a Message Rate System of Charges being introduced, and all subscribers, whether they have executed an agreement providing for three months' notice or six months' notice, will be given six months' notice in that event.

With reference to the suggestion that the Company should reserve the right to terminate contracts for telephone service in the event of any change in the rate of charges or system of charges instead of only in the event of the introduction of the Message Rate System of Charges, while my Board recognize that this would actually place the Company in a stronger position, they feel that subscribers might object with more justification to the reservation of such wide rights and for this reason they think it is undesirable to adopt the suggestion.

No. 2895 dated 23rd December 1929, from Chamber to Telephone Co.

Your letter No. G|C22, of the 28th November was considered by the Committee at their last meeting. They are unable to agree to what you say re: retention of the clause referring to the Message Rate System. This reference in the contract is likely to create an impression in the public mind that the Message Rate System is going to be introduced in spite of their protests. The Company cannot introduce this system without the sanction of Government and the statement re: "the Company having under consideration of the adop-

tion of the Message Rate System.....", when actually no such sanction has been given is likely to be misleading. My Committee, therefore cannot but object to the retention of this clause in the contract form. Nor can they approve of the six months' notice for which there is no sufficient reason shown. In fact, my Committee desire that the whole clause beginning with "The Company having under consideration, etc.," and ending with "unexpired period of the hiring" be deleted.

Ref G. dated 14th January 1930, from Bombay Telephone Co., to Chamber.

Your letter No. 2895 dated the 23rd ultimo has now been considered by my Board.

I am instructed to say in reply that as there is no expectation of introducing the Message Rate System of Charges in the near future my Board no longer feel it necessary to include the clause in contracts relating to the possibility of its introduction and they are accordingly willing to delete it, but it will be reintroduced in the event of changed circumstances making it desirable from the Company's point of view to do so.

LICENSE OF THE BOMBAY TELEPHONE COMPANY, LTD.

No. 2902, dated 28th December 1929, from Chamber to Bombay Telephone Company.

I am to request you to send a copy of the License of the Bombay Telephone Company for the perusal of my Committee. If necessary, the same will be returned to you when done with.

No. 67|F., dated 14th January 1930, from Bombay Telephone Company to Chamber.

Your letter No. 2902, dated the 28th ultimo has been duly considered by my Board by whom I am instructed to say that as the document is a private one they regret they cannot see their way to comply with your request.

No. 203. dated 31st January 1930, from Chamber to Bombay Telephone Company.

I am directed to acknowledge receipt of your letter No. G.-67|K., dated 14th January 1930, in connection with the license of your Company.

My Committee would like to point out that the Telephone Company is a public utility concern and as such it is a semi-public institution and therefore the license of the Company should be open for inspection by the public. My Committee hope therefore, that your Board will kindly see their way to let the Chamber have a copy of the same.

No. G.|C.-5, dated 6th February 1930. from Bombay Telephone Company to Chamber.

Your letter No. 203, dated the 31st ultimo has been duly considered by my Board and in reply I am instructed to say that the Company is advised that the document is a private one and for this reason my Board are unable to accede to the request made, but they would raise no objection to a copy being supplied if the Government of India saw fit to do so on an application being made by your Chamber.

No. 301, dated 11th February 1930, from Chamber to Government of India, Department of Industries and Labour.

I am directed to forward to you herewith a copy of a letter received by my Committee in reply to a request for a copy of the license of the Bombay Telephone Company. The Telephone Company being a public utility Company, the document in question should be considered a public document and should be made available for inspection by public bodies like the Chamber. I am therefore directed to request you that Government will be pleased to instruct the Company to supply us with a copy of the license.

No. 130-T. P.|30, dated 28th March 1930. from Government of India, Department of Industries and Labour to Chamber.

With reference to your letter No. 301, dated 11th February 1930, I am directed to forward herewith a copy of the license dated 9th February 1911 granted to the Bombay Telephone Company, Limited for the Islands of Bombay, Salsette and Trombay.

License granted under Section 4 of the Indian Telegraph Act, 1885, by the Governor-General of India in Council to the Bombay

Telephone Company, Limited. for the Islands of Bombay, Salsette and Trombay.

1. In exercise of the powers conferred by section 4 of the Indian Telegraph Act, 1885, (Act XIII of 1885), the Governor-General of India in Council herein referred to as the Governor-General in Council is pleased to grant the following license to the Bombay Telephone Company, Limited, (hereinafter referred to as "the Licensees.")

2. The Licensees may establish and maintain Telephones, Telephone Exchanges and open Telephone Offices for a term of sixty years from the 1st day of April 1903, within the following limits, namely, within the limits of the islands of Bombay, Salsette and Trombay including the Harbour of Bombay and the vessels lying therein.

3. The Licensees may establish and maintain for that term Telephone wires connecting:—

(a) the Central Exchange of the Licensees with the District Exchanges of the Licensees;

(b) the Offices of Subscribers within the said limits with a Telephone Exchange of the Licensees:

(c) the open Telephone Offices of the Licensees with a Telephone Exchange of the Licensees;

(d) with the permission in writing of the Governor-General in Council, a Telephone Exchange of the Licensees with the Office of a Subscriber situated beyond the said limits.

4. When the Licensees have in accordance with the provisions of this license established a Telephone Exchange within the said limits they may establish, maintain and let on lease for the said term or any part thereof private Telephone wires connecting the office of any person situated within the said limits with another office of the same person, or with the office of any other person situated within those limits, or, with the permission in writing of the Governor-General in Council, with another office of the same person or with the office of any other person situated beyond those limits.

5. The Licensees may use and work the said Telephones, Telephone Exchanges, open Telphone Offices, Telephone wires and private Telephone wires and suffer the same to be used and worked for the following purposes, namely:—

(a) for the purpose of enabling Telephone messages to be transmitted direct as follows, namely,—

(1) from or to any Subscriber at an Office occupied by him, either to or from any other Subscriber at an office occupied by him, or to or from any person at an open Telephone Office, or to or from any Subscriber connected to the Exchange of the Government Telephone Department when such Exchanges are connected to the Exchanges of the Licensees;

(2) in the case of private Telephone wires, from or to any lessee of the same at one of the offices with which the private Telephone wire is connected to or from the other of those offices:

Provided that such messages relate only to the business or private affairs of such Subscribers or lessees, or one of them; and

(b) for the purpose of transmitting in either direction between a Telephone Exchange and any other Telephone Exchange or the Office of any Subscriber or any open Telephone Office, or between the offices with which a private Telephone wire is connected, service messages relating to the establishment from time to time of Telephonic connections by means of the said Telephone Exchanges or the said private Telephonic wire, or to the working or repair of the said Telephones, Telephone Exchanges, open Telephone Offices. Telephone wires or private Telephone wires.

6. This License shall not confer on the Licensees any right to lay or place any supports, wires of other Telephone apparatus or appliances in or over, upon or under, any land, ground, street, road, harbour, foreshore, river or place within the said limits, but any permission for that purpose required by the Licensees shall be obtained by them at their own expense from the person or persons, body or bodies corporate, legally entitled to grant the same.

7. This license cannot be assigned, transferred or otherwise disposed of, and in the event of any attempt being made on the part of the Licensees to assign, transfer or dispose of the same, or of any

order being made by any Court for winding up the Company of the Licensees, or of any resolution being passed by the Company of the Licensees requiring it to be wound up voluntarily, or of the dissolution of the Company of the Licensees by any means whatsoever, this license shall **ipso facto** cease and determine.

8. (a) The Governor General in Council may, by not less than twelve months' previous notice in writing, terminating on the

31st day of March 1923
31st day of March 1928
31st day of March 1933
31st day of March 1943

or the 31st day of March 1953

signify to the Licensees his intention to purchase the undertaking in respect of which this license is granted.

(b) If any such notice is given, the Licensees shall sell and convey to the Government the said undertaking, including all immoveable property and all rights in, over or in respect of the same, and all plant, material, apparatus and appliances suitable to and used by them for the purposes of the said undertaking.

(c) The price to be paid by the Governor General in Council to the Licensees for such purchase shall be as follows:—

(1) If the right of purchase be exercised at the end of the 40th year from the 1st Day of April 1903, or at the end of any subsequent period of ten years during the continuance of this license, the price to be paid shall be the then value of all lands, buildings, works, materials and plant of the Licensees suitable to and used by the Licensees for the purpose of the undertaking provided that the value of such lands, buildings, works, materials and plant shall be deemed to be their fair market value at the time of purchase, due regard being had to the nature and condition for the time being of such lands, buildings, works, materials and plant, and to the state of repair thereof, and to the circumstance that they are in such

a position as to be ready for immediate working, and to the suitability of the same for the purpose of the undertaking, but without any addition in respect of compulsory purchase or of good will or of any profits which may be or might have been made from the undertaking, or of any similar considerations. The price shall be determined by two arbitrators—one to be appointed by the Governor-General in Council and one by the Licensees, and in case of a difference of opinion by an umpire, to be appointed by the arbitrators before they enter on the business of the reference.

(2) If the right of purchase be exercised at the end of the 20th, 25th or 30th year from the 1st day of April 1903, the price to be paid for the property, plant, etc., shall be determined as in clause 8 (c) (1) last foregoing, and the amount so determined shall be due on the date from which the purchase will have effect, and in addition the Governor General in Council shall pay to the Licensees on account of good-will and compulsory sale or withdrawal of this license before the expiry of 35 years, an annual sum to be continued for a term of 15, 10 or 5 years, as the case may be, which shall be equal to eleven-tenths of the average annual net profits of the Licensees for the preceding three years, **minus** a sum which shall be equal to 5 per cent. on the amount to be paid as the value of the property, plant, etc.

(3) In the event of the revocation of this license for the breach of any of the conditions hereof the Governor General in Council shall purchase the property, plant, etc., for a price to be determined as in clause 8 (c) (1).

(4) For the purpose of clause 8 (c) (2) the average annual net profits of the Licensees shall be taken to be one-third of the difference between the gross annual receipts and the working expenses of the Licen-

sees during the three years immediately preceding the date of purchase. The said working expenses shall include **inter alia** all royalties paid to the Director General of Telegraphs in India under the conditions of this license, pole rents, and the proper upkeep and maintenance of the buildings, lines, plant, apparatus, and appliances belonging to the Licensees.

(d) In the event of any such purchase the Governor General in Council may revoke the license hereby granted.

9. This license is granted subject to the conditions set forth in the first schedule hereto annexed, and shall be revocable by the Governor General in Council on the breach of any of those conditions.

10. It shall be in the absolute discretion of the Governor General in Council to grant or refuse to the Licensees the privilege of connecting their Telephonic circle with any other circle; but in the event of such privilege being granted, the trunk line will in all cases be erected, maintained and owned by the Government and let to the Licensees at such rent and on such conditions as the Governor General in Council, may from time to time, determine.

11. Nothing in this license shall confer upon the Licensees any exclusive right or privilege or prevent the Governor General in Council from doing, through his own servants or granting a license to any other person or body corporate to do anything which the Licensees are authorized to do by or under this license.

12. All words and phrases used in this license and in the first schedule hereto annexed shall, unless there is something repugnant in the subject or context, be constructed in accordance with the definitions and rules contained in the second schedule hereto annexed.

(Sd). A. H. LEY,

Under-Secretary to the Government of India,

Department of Commerce and Industry.

Dated the 9th day of February 1911.

FIRST SCHEDULE.

Conditions of the License.

1. The Licensees shall not establish or maintain any Telephones, Telephone Exchanges, open Telephone Offices, Telephone wires, or private Telephone wires, except as permitted by their license.

2. The Licensees shall not use or work any Telephone, Telephone Exchange, open Telephone Office, Telephone wire or private Telephone wire established or maintained by them, or suffer the same to be used or worked, except for the purposes specified in their license.

3. (1) The Licensees shall pay to the Director-General of Telegraphs in India, herein referred to as the Director-General, on account of the **"Government of India,"** the percentages specified in the 3rd clause of this condition (and hereinafter called royalties) of all sums of money paid or by virtue of any contract payable to them by any subscriber, lessee or other person—

(a) in respect of the hire, maintenance, working or use of any Telephone, Telephone Exchange, open Telephone Office, Telephone wire or private Telephone wire, or any part or parts thereof;

(b) in respect of the right or permission to transmit Telephonic messages by means of any Telephone, Telephone Exchange, open Telephone Office, Telephone wire or private Telephone wire; or,

(c) Otherwise in respect of Telephonic messages transmitted by means of any Telephone, Telephone Exchange, open Telephone Office, Telephone wire or private Telephone wire, or otherwise howsoever in relation to any Telephone, Telephone Exchange, open Telephone Office, Telephone wire or private Telephone wire, or any part or parts thereof, established under their license.

(2) The royalties shall be payable whether the sum of money is a gross sum or is payable periodically, or is paid in the shape of a fee for the temporary use of any Telephone Exchange or Telephone

by means of an open Telephone Office, or is paid in the shape of rent, for the lease of any private Telephone wire.

(3) The royalties shall be 5 per cent. of the gross amount of every sum of money paid or payable to the Licensees as aforesaid, except when that sum is payable wholly or partly in respect of a Telephone wire or private Telephone wire situate partly beyond the limits specified in the license. in which case the royalty shall be 6 per cent.

4. Every rovalty payable under the last foregoing condition shall become due so soon as the sum of money in respect of which it is payable, or by the amount of which it is regulated, is paid or is by virtue of any contract payable to the Licensees

5. (1) The Licensees shall, at all times, keep at their principal office within the limits specified in their license a book or books in which they shall, so far as may be practicable, enter—

(a) the names, addresses and occupations of all subscribers and lessees for the time being;

(b) the sums of money from time to time paid, and agreed to be paid, respectively, by those subscribers and lessees or by any other persons in respect of any of the matters specified in condition 3;

(c) the date at which every such sum of money was paid or became payable;

(d) the nature of the consideration for the payment thereof; and

(e) all such other particulars as the Director-General may, from time to time, reasonably require.

(2) The Licensees shall preserve at their principal office, as aforesaid, all contracts between the Licensees and subscribers or lessees.

(3) The Licensees shall permit the Director-General and his officers, from time to time, and at all reasonable times, to inspect the said book or books and contracts, and to make copies thereof and extracts therefrom.

6. The Licensees shall, within twenty days after the expiration of every calendar month, render to the Director-General an abstract of their accounts for the previous month signed by a firm of Chartered Accountants to be approved by the Director-General in respect of the transactions made by them under this license and such further particulars as the Director-General may from time to time reasonably require.

7. The above abstract shall be accompanied by a cheque for the amount of royalties due to the Director-General in respect of the transactions of that month.

8. No written message or messages other than oral shall be collected or delivered at any Telephone Exchange or Office of the Licensees, or at the office of any subscriber or lessee.

9. No money or other valuable consideration shall, in respect of the receipt, transmission or delivery of any Telephonic message by means of any Telephone Exchange or private Telephone wire established hereunder, be, or be promised to be, paid or given to any subscriber or lessee by any person whomsoever, whether a subscriber, lessee or not.

10. The Licensees shall, in every agreement with a subscriber or lessee, make due provision for the observance of the two last foregoing conditions, and reserve to themselves the fullest discretion to rescind the agreement on any infringement by the subscriber or lessee of either of those conditions.

11. (1) The Licensees shall, seven days at least before connecting the office of any subscriber or intending subscriber with any Telephone Exchange, or an office of any lessee, or intending lessee with another office of that lessee, or with the office of any other person within the limits specified in their license, deliver a notice in writing of their intention so to do at the office of the Director-General, or to such officer as the Director-General may appoint to receive the notice.

(2) The notice shall contain—

(a) the name, address and occupation of the subscriber or lessee, or intending subscriber or lessee, to whom the notice relates;

(b) a copy of the engagement and condition entered into and agreed to by the subscriber or lessee under the last foregoing condition; and

(c) full particulars of the situation of the office or intended office to which the notice relates, and of the line or route in which it is intended to lay the Telephone wire or wire for establishing the connection, and of the manner in which, and the houses and buildings (if any) on or by means of which, it is intended that such wire or wires shall be supported.

(3) Notwithstanding anything in the foregoing portion of this condition, the Director-General may at his discretion grant permission for the connection to be established within a less period than seven days.

12. The posts and other Telephonic apparatus and appliances of the Licensees shall be so erected and placed as not to interfere with the convenient erection, maintenance or use of, or to expose to risk of damage, any posts, wires or other Telegraphic or Telephonic apparatus or appliances under the charge of the Director-General which may, from time to time, exist, or any posts, wires or other Telegraphic or Telephonic apparatus or appliances which it is probable that he may have occasion to erect; and accordingly no posts, wires or other Telephonic apparatus or appliances shall be erected, fixed or placed by the Licensees, in pursuance of any such notice as aforesaid or otherwise, without the approval or consent in writing of the Director-General or an officer authorised by him in that behalf.

13. In the event of any posts, wires or other Telephonic apparatus or appliances of the Licensees which may already have been erected or placed with the consent of the Director-General interfering with the erection or placing of any posts, wires or other Telegraphic or Telephonic apparatus or appliances which the Director-General may, during the continuance of the said license, have occasion to erect, the Licensees shall within thirty days after written notice has been given at their principal office situated within the limits specified in their license, remove such posts, wires or other Telephonic apparatus or appliances to another situation approved by the Director-

General; and the reasonable expenses incurred by the Licensees in the removal shall be reimbursed by the Director-General.

14. In case any Telephone wire or wires of the Licensees shall, by reason of the neglect of the Licensees to maintain the same properly fixed and in good repair, or from any other cause whatever, interfere with the working of, or damage, any Telegraph or Telephone wire or wires under the charge of the Dirctor-General, any officer generally or specially empowered by the Director-General in this behalf, may, if the Licensees do not forthwith remove their said Telephone wire or wires, or sufficiently repair and refix such wire or wires to his satisfaction, so as to prevent any further interference with, or damage to, the wires under the charge of the Director-General, or if for any other reason he thinks it necessary for the public service, remove or repair and refix such wire or wires of the Licensees as aforesaid; and the Licensees shall on demand pay to the Director-General the cost of refixing and repairing the Telegraph or Telephone wire or wires under the charge of the Director-General which shall have been interfered with or damaged, as aforesaid, and the cost of any removal or repair and refixing by such officer of their said wire or wires.

15. The Director-General and his officers and agents may, from time to time, and at all reasonable times, enter on any office of the Licensees and, so far as the Licensees can give permission, on any subscriber's or lessee's office, for the purpose of inspecting the Telephones and other Telephonic instruments and appliances fixed in those places.

16. The Licensees shall not move their Telephone Exchanges without the previous consent in writing of the Director-General.

17. The maximum subscription to be charged by the Licensees for Exchange connections within a radius of four miles of the Exchange shall be Rs. 250 per annum. The rates charged by the Licensees so far as they exceed Rs. 200 per annum, shall be subject to revision after the 31st March 1913. The charge to be made for any connection required by Government shall be 25 per cent. less than the maximum rate.

18. The Licensees shall be bound to substitute underground for overhead wires, on the whole or any part of their system, whenever

they may be required to do so by an order in writing of the Governor-General in Council. Provided that if it is proposed to issue such an order the Licensees shall be given an opportunity of representing their objections to such substitution on the ground that it is impracticable, or for any other reason, and their objections shall be taken into consideration by the Governor-General in Council before such order is passed.

19. The Licensees shall work all their connections on the return wire system.

20. The Director-General shall have the right at any time of connecting, at the expense of the Government Telegraph Department, any of the Exchanges of the Government Telegraph Department to any Exchanges of the Licensees, and the subscribers to either system shall have the privilege of communicating through such trunk connections with subscribers on the other system without extra charge.

21. The Director-General shall have also the right at any time to disconnect and dismantle any of the trunk connections between the Exchanges of the Government Telegraph Department and those of the Licensees referred to in the last foregoing condition, should he consider such disconnection desirable.

SECOND SCHEDULE.

Interpretation.

(1) "Subscribers" means those companies, firms and persons from whom the Licensees receive subscriptions and with whom they enter into contracts in relation to connecting their offices by means of Telephone wires with a Telephone Exchange.

(2). "Lessees" means those companies, firms and persons, whether subscribers or not, to whom the Licensees lease any private Telephone wire established by them.

(3) "Office" whether used with reference to the Licensees, a subscriber, a lessee or any other person, includes any house, warehouse, factory, building, vessel or place occupied by the Licensees, subscriber, lessee or other person.

(4) "Telephone" includes any apparatus by means of which any articulate sounds can be conveyed to a distance by the agency of electricity, galvanism or magnetism.

(5) "Telephone wire" includes any metallic connection between two Telephones, or between one Telephone and a Telephone Exchange.

(6) "Telephone Exchange" means any contrivance, instrument, apparatus or appliance to which two or more "Telephone wires" may be attached, and which is used for the purpose of temporarily establishing from time to time, as occasion may require, a direct connection between any two of such Telephone wires, and includes a "Central Telephone Exchange" and a "District Telephone Exchange."

(7) "Central Telephone Exchange" means either the only Telephone Exchange belonging to the Licensees within the limits specified in their license, or, if more than one Telephone Exchange is established by the Licensees within those limits, the central or principal apparatus with which one or more district Telephone Exchanges may be connected.

(8) "District Telephone Exchange" means a Telephone Exchange other than a Central Telephone Exchange with which two or more subscribers' offices are connected by means of Telephone wires, and which itself is connected by means of one or more Telephone wires with a central exchange or with another district exchange.

(9) "Open Telephone office" means any building or place in or to which may be contained or attached a Telephone which is connected by means of one or more Telephone wires with a Telephone Exchange, and which may be used by persons other than those hereinbefore described as "subscribers," for communication with subscribers, and may also be used by subscribers for communication with other subscribers.

(10) "Private Telephone wire" means a "Telephone wire" connecting the office of one person with the office of another person, or one office of a person with another office belonging to the same person, without being itself connected with a "Telephone Exchange;" and—

(11) A Telephone Exchange shall not be deemed to have been "established" until not less than ten companies, firms or persons have severally paid to the Licensees a sum of money in respect of the use of the Licensees' Exchange for a period of not less than twelve calendar months.

(Sd). A. H. LEY,
Under-Secretary to the Government of India.
Department of Commerce and Industry.

Dated the 9th day of February 1911.

II FINANCE, TARIFF AND TAXATION.

APPENDIX XXIII.

GOVERNMENT OF INDIA BUDGET FOR 1929-30.

Telegram dated 1st March 1929, from the Chamber to the Government of India, Finance Department, through the Chamber's representative in the Legislative Assembly, Sir Purshotamdas Thakurdas.

Committee Indian Merchants' Chamber feel the attempted balancing budget without recourse additional taxation might have been welcome but for the fact that the repeated criticisms of Committee certain items of expenditure have not met with attention and sympathetic consideration. Committee express hope that threatened additional taxation in future will not materialise, that possible avenues of retrenchment will be considered in view of tax having reached taxable capacity. Committee desire draw attention in this connection Reports of Economic and Taxation Enquiry Committees. Committee uneasy at present budget fixing upon 55 crores as standard normal military charge which at present rate of Exchange and in terms of goods and services mean more than 65 crores. Further the fall in price level between 1922-23 and 1928-29 considered magnitude military burden is really much greater. Committee feel reading by Finance Member of Inchcape Commitee's Report erroneous. That Committee recommended military expenditure fifty crores which in itself is too high for ability India to pay. Level of prices has fallen 40 points

since 1922-23, yet no reduction in the military budget. Finance Member is aware of likely savings current military expenditure. Committee cannot approve devoting this savings for improvements in Army organisation and equipment. Further Committee feel that expenditure involved in modernisation army should not fall on current revenue. Committee desire point out expenditure on army account concealed in several departments like Telegraphs, Railways, interest on war debt, these if added to army expenditure increase substantially. Thus demand for reduction remains not only unanswered but trend of developments seems to indicate progress in contrary direction. Remarks Finance Member regarding interest on public debt and capital expenditure in general needs explanation. Committee desire point out so-called commercial departments are not obtaining receipts legitimately due and thus such items are taxation disguised. Committee regret no reduction Postal charges if Postal and Telegraphs departments be considered separate possible as Postal Department by itself show handsome surplus which is swallowed up by losses Telegraph side particular foreign. Committee would suggest scrapping Eastern Telegraph Co. Committee think distinction between recurring and non-recurring items Civil expenditure is open to question. The institution of Agricultural Research Endowment Fund by grant fifteen lakhs tends to show inflated expenditure. With reference paragraphs 58 and 59 Committee point out that new indebtedness is more than 12 crores and 13 millions sterling. Items 37 and 19 3|4 crores obtained from unfunded debt add to public debt. Similarly 37 crores shown by next three items drawn from current revenues indicate the normal burden of recurring revenue has been greater than ordinary needs of country. Committee would emphasise fundamental principle of Public Finance that no more revenue be raised from people than absolutely necessary for expenditure during the year. The fact that additional money has been raised though re-employed for capital purposes sufficient condemnation revenue side Budget. Committee hold generally preferable to borrow for all productive purposes in this country. Committee urge no need definitely to decide upon borrowing abroad for purchasing South Punjab Railway though the original enterprise was finance in England. Committee consider heavy salt duty might obtain relief if foreign salt imported into India was taxed **Ad Valorem** excluding salt Aden which is Indian. Regarding Exchange position Committee

would point out that argument of accomplished fact should not be pressed so much within such a short space of time after new Ratio Rupee has been attained. Committee have grave doubts whether adjustments in prices and wages have actually taken place as claimed. Committee apprehensive that much of industrial unrest and economic troubles directly traceable to dislocation first effected when Exchange Ratio was departed from initially.

APPENDIX XXIV

STERLING LOAN OF THE GOVERNMENT OF INDIA, ISSUED IN JANUARY 1929, AND GOVERNMENT'S FINANCIAL AND CURRENCY POLICY.

Prospectus of the Sterling Loan of £10 million issued in January 1929.

PRESS COMMUNIQUE.

The Secretary of State for India is issuing the Prospectus of a Sterling Loan of £10 millions, the issue price is £91 per cent. The Loan will bear interest at the rate of 4 1|2 per cent. per annum. If not previously redeemed the Stock will be repaid at par on the 1st June 1968 but the Secretary of State for India reserves the right on giving 3 calendar months notice in the London Gazette to redeem the Loan at par on, or on any half-yearly interest date after, 1st June 1958. The subscription list in London will be closed on or before Saturday the 5th January 1929. Subscriptions to this Loan will be received in India at the Office of the Imperial Bank of India at Calcutta, Bombay, Madras, Rangoon and Karachi. Applicants in India may also arrange for a remitting Bank to send a telegraphic transfer in favour of the Imperial Bank's London Office, and submit a certificate by the remitting Bank that this has been done together with their application to the Imperial Bank. In such cases the certificate handed to the Imperial Bank will be accepted as evidence of the date of payment after receipt by the Bank's London Office of the sums transferred. In order to secure opportunity for residents in India to subscribe to the Loan arrangements have been made to transmit applications lodged with the Imperial Bank to its London Office by im-

mediate cable. Further particulars regarding the actual terms of the Prospectus can be obtained from the offices of the Imperial Bank at the abovementioned places.

The proceeds of the Loan will be used to provide funds for sterling capital expenditure on Railways in India, for the purchase of the Burma Railway Company, Limited, and to repay £6 millions of India Bills maturing on the 28th February 1929.

(Sd). J. B. TAYLOR,

Deputy Controller of the Currency, Bombay.

3rd January 1929.

Summary of prospectus of the New Sterling Loan.

Government of India 4 1|2 per cent. Sterling Loan 1958-68, summary of Prospectus issue of £10,000,000. Price of issue £91 per cent. payable as follows, on application £5 per cent. on Thursday the 17th January 1929 £21 per cent. on Friday the 8th February 1929 £35 per cent. on Thursday the 28th February 1929 £30 per cent. total £91 per cent. The issue may be held in the form either of Stock or of Stock Certificates to bearer at option of subscriber. The issue is made under the provisions of the East India Loans Act the entire proceeds will be utilised to provide funds for Sterling Capital expenditure on Railways in India for purchase of Burma Railways and to repay £6,000,000 India Bills which mature on the 28th February 1929. If not previously redeemed Stock will be repaid at par on the 1st June 1968 but the Secretary of State for India reserves to himself the right on giving 3 calendar months notice in London Gazette to redeem Loan at par on or on any half-yearly interest date after the 1st June 1958. Stock will be convertible on and after the 2nd May 1929 into Stock Certificates to bearer (in denominations of £50, £100, £500 and £1,000) with coupons attached for the interest payable half-yearly and Stock Certificates are convertible into Stock without payment of any fee. Stock is transferable in any sums which are multiples of one penny. Transfers and Stock Certificates will be free of Stamp Duty. Interest at the rate of £4-10s. per cent. per annum payable half yearly on the 1st June and the 1st December, the first payment of £1-8s. (one pound eight shillings) per cent. will be made on the 1st June 1929. Ap-

plications must be accompanied by a deposit of £5 per cent. applications may be for the whole or any part of issue in multiples of £50. No allotment will be made for a less amount than £50. Instalments may be paid in full after allotment under discount at the rate of £4 per cent. per annum in the case of full payments made before 17th January 1929. Discount will only be allowed from the latter date. Default in payment of any instalment by its proper date will render the deposit and any instalments previously paid liable to forfeiture and allotment to cancellation. A commission of five shillings per £100 will be paid to Bankers and Stock Brokers on allotment made in respect of applications bearing their stamp. The Stock will be transferable as India 4 1|2 per cent. Stock 1958-68 (B) until May 1929 when it will be amalgamated with the existing India 4 1|2 per cent. Stock 1958-68. The list will be closed on or before Saturday the 5th January 1929.

No. 159, dated 23rd January 1929, from Chamber to Government of India, Finance Department.

I am directed by the Committee of this Chamber to address this letter to you in connection with the Sterling Loan of £10 millions recently floated by the Secretary of State for India in London. In 1921 when the Sterling Loan was floated in the London Money Market, my Committee had addressed Government protesting against the method and manner of external borrowing of the Government of India as reflected in that loan. My Committee condemned the extravagance of the terms offered to investors in the United Kingdom to the prejudice of Indian taxpayers and investors and further remarked that the "occasion, manner and rates have been entirely opposed to Indian interests." I am to draw the attention of Government to this letter of theirs in 1921. My Committee are at a loss to understand why the Secretary of State issued the Indian Sterling Loan in January when the London Money Market is normally tight and not in May or July when that Market is comparatively easier. It is generally recognised that loans are best floated in periods of easy money in any market. The Government of India follow this system in India, and it would be interesting to know why, for floating loans in London, the Government of India select a period which is looked upon as a period of tight money in the London Money Market. For instance last year

some of the loans floated in London were floated at dates given underneath:—

Name of Loan.	Rate per cent.		Amount.	Date.
New Zealand Govt. Loan	4 1|2	@	98	5-5-28
New Foundland Govt. Loan	5	@	100	30-6-28
London County Council	4 1|2	@	94 1|2	26-5-28
Birmingham Corporation	4 1|2	@	97 1|4	20-10-28
City of East London	5	@	99 1|2	7-7-28

The rates at which the above loans were floated are also given above, and my Committee feel that the Government of India cannot be congratulated on the terms which they have been able to secure for the last loan. They particularly refer to this, as not very long ago the late Finance Member, Sir Basil Blackett, referred in the Assembly to India's credit being the highest in the world. The figures given above unfortunately indicate that in borrowing in the London Market the Government of India have secured terms which are worse than even the terms scured by Municipalities like the London County Council and the Birmingham Corporation.

The late Finance Member said in introducing his budget for 1927-28 that the Government of India had successfully avoided the issue of any sterling loan since May 1923, and the Budget for 1927-28, which he was presenting, included no provision for any external loan in that year. A few months later, however, the Government of India had to borrow £7 1|2 millions in London and this was explained in the following words in the Budget Speech for 1928-29:—

> "I have little doubt that in spite of the issue of a sterling loan of £7 1|2 millions in 1927-28, the net amount of India's external indebtedness has been considerably decreased and not increased in the course of the last year. It will be seen from the figures which I am about to give of the Government of India's total debt, that the increase during the year of our external indebtedness as a Government, is considerably less than the amount of the sterling loan and that the sterling debt is only £3 1|3 millions more than it was three years ago."

My Committee feel that whilst for the time being the borrowing necessary for capital works may have been avoided, that advantage has not been secured to India for long. The extent to which the Government of India will have to make up for this hereafter may be better known when the next budget is presented to the Assembly. But my Committee cannot help referring to the warnings they continuously had given to the Government of India that the currency policy of the Government was bound to lead to further unexpected borrowings before long. In fact, it is for the Government to judge from the events that have taken place since March 1927 as to what has affected their financial calculations and the prosperity of the country, so adversely.

D. O. Letter, dated 12th May 1929, from the Hon'ble Sir George Schuster, Finance Member to the Government of India, to Mr. L. R. Tairsee, President of the Chamber.

When I had the pleasure of meeting your Chamber during my recent visit to Bombay you took me to task for not having answered a communication on the budget which you said had been sent to me. I have been into the matter on my return to Headquarters and I presume you refer to a long telegram which was sent to Sir Purshotamdas Thakurdas and Mr. Birla for communication to me. If this is the communication to which you refer I should like to explain that I did not understand at the time that your Chamber expected a direct reply from me, although I prepared notes on several of the questions in case they should be raised in the debate on the Budget in the Legislative Assembly. I thought, in fact, that as you had telegraphed to Sir Purshotamdas Thakurdas and Mr. Birla it was really in order that they might ask these questions in the course of the debate. I hope therefore that you will realise that my failure to send any reply was due to a misunderstanding and not to any lack of courtesy.

Letter dated 21st May 1929, from Mr. L. R. Tairsee to the Hon'ble Sir George Schuster.

I am in receipt of your esteemed favour dated, Simla, 12th May, for which I am obliged. I am very much afraid that your letter runs on the wrong track. What was stated at the time of the interview referred to the Sterling Loan, and I do not think I can do better than

quote the paragraph in question, so that you have an opportunity of looking in the matter and send to us the promised reply:—

> "My Committee had occasion to write to you in the beginning of this year when the Sterling loan of £10 millions was floated by the Secretary of State for India in London. Unfortunately, to this representation, referring to an important question like the loan policy of Government, no reply was vouchsafed to us by your Department, etc."

For easy reference I am sending to you herewith a copy of the said representation, being this Office No. 159, dated 23rd January 1929, for your attention and action.

D. O. Letter, dated 18th July from the Hon'ble Sir George Schuster to Mr. L. R. Tairsee.

I must apologise for my delay in dealing with your letter of May 21st, reminding me of your former criticism. I am always glad to receive intelligent criticism and, of course, the pleasure is increased when one is able to find a good answer to it.

I think in the present case, those who have advised your Chamber have made a good many mistakes as to the facts You start by saying—"My Committee are at a loss to understand why the Secretary of State issued the Indian Sterling Loan in January when the London Money Market is normally tight and not in May to July when that Market is comparatively easier. It is generally recognised that loans are best floated in periods of easy money in any market. The Government of India follow this system in India and it would be interesting to know why, for floating loans in London, the Government of India select a period which is looked upon as a period of tight money in the London Money Market."

The first thing which I have to say is that it is quite a mistake to suppose that conditions in India and in London are at all the same. In India the fluctuations in the demand for money are exceptionally severe and there is a very marked difference between the busy months when the export trade is moving and the slack months from, say, May to August. There is nothing coresponding to these extreme fluctuations in London. There are of course certain normal seasonal fluctua-

tions but they are much less marked and the periods do not correspond to those of India.

The implication that in London January is a bad time for floating loans and that the money market is exceptionally tight at that period is entirely incorrect. This is a matter in which I have had many years' experience, and I can tell you that according to my observations the few weeks after January 1st, are generally considered as one of the best seasons of the year in London for bringing out loans. As evidence in support of this, I can quote the fact that the amount of loans floated in January is generally well above the monthly average for the year and often the highest total of any month in the year. I have collected the figures of public issues of capital made in London for the last three years, and the following table shows the total amount of issues for the year, the monthly average for each year and the actual amounts issued in the month of January in each year:—

	Total for whole year	Monthly average per year	Total for January
1926	230,782,601	19,231,888	25,438,504
1927	355,165,970	29,597,164	89,470,655
1928	369,058,073	30,754,889	104,913,970

I think these figures strikingly demonstrate that January is a popular month. I do not really know from where your Committee can have got the idea that in London, January is a bad time and that the months of May to July are the best. Personally, I would never advise a borrower deliberately to select the later period. Although it is quite possible that conditions may be all right, it is dangerously near the end of the favourable season. From June onwards, activity generally declines on the London Stock Exchange, and July, August and September are normally regarded as dead months, during which little but routine business is done. Although money may be cheap then, the Stock Exchange is generally dull during these months, and it is not a popular time for making public issues. What I have written above is based on my own experience, but if you want an independent authority on money market conditions (which is not quite the same thing as the conditions affecting public issues) let me quote

you the following passage from a standard English book "London Money Market" by Spalding:—

"The principal fluctuations in the London money market may be roughly divided into four periods:

(i) A first but brief period lasting through the month of January when there is usually a plethora of money due to the credits created by the Bank of England to carry the money markets over the close of the year and large distribution of dividends of both Government and private concerns.

(ii) The second period from February to the beginning of April when the market is tight owing to the collection of revenue, the Government balance at the Bank of England reaching its peak in March.

(iii) The third period April to September is usually a time of easier money rates and though there are sometimes alternate ease and plenty, there is not the same tightness as in the second period. Government expenditure and dividends add to the supplies of money in the market. The supplies are not however so large as in prewar days owing to income-tax payments in instalments.

(iv) In the fourth period from September to end of the year, the demand for money is most keen as the period coincides with the marketing of the world's great harvests. It is in the first and third periods that the bulk of the large capital issues and foreign and colonial loans are floated on the London market."

I think that after reading these remarks, you will agree that the criticism of your Chamber on this point has not been well founded.

2. After making your general criticism, you go on to give a selected list of loans floated in the months of May, June and July. Before dealing with the arguments which you base on these figures etc., I want to point out that there are certain inaccuracies in your statement; for instance, the New Zealand Government loan to which

you refer was brought out, not, as stated by you, at 98, but at 94 1|2. This, of course, makes a great difference in the appearance of your list.

3. Leaving aside these inaccuracies, I presume that your intention in giving this list was first to show that these borrowers attained good results by selecting these months, and, secondly, that the rates at which they were able to borrow show that the Government of India ought to have got better terms.

As regards the first of these points, I do not think that the quoting of a few special cases is a very effective argument. I can easily quote you other instances of borrowing carried out at favourable rates in the month of January; for example, the Government of New Zealand itself, which you seem to regard as a model of wisdom in this matter, floated another loan on January 23rd 1929, that is, just a week after the issue of our last Government of India loan, the date of which you so severely criticise. This New Zealand loan of January 1929 was again a 4 1|2 per cent. loan floated at 95, i.e., half a point higher than the price of the New Zealand Loan of May 1928, which shows that January compared favourably with May, particularly taking into account the fact that the latest date for repayment of the January loan was 11 years later than that of May loan, thus reducing the "redemption yield".

4. As regards your second argument that the Government of India ought to have got better prices in comparison with the Government of New Zealand or the London County Council, I am afraid that the prices which the Government can get is a matter which depends on the view which the investing public in London takes of the credit of the Government of India and is a matter which neither I nor the Secretary of State can control. It is an unfortunate fact that for various reasons the credit of the Government of India in London in recent times has declined. This is partly due to reasons which I explained in my Budget Speech, namely, that the Government of India securities attained what I can only regard as an abnormally high level due to a temporary restriction on borrowing during the three years preceding 1927, from which high level some decline was inevitable. It is also partly due to our increased needs now for raising

capital to meet commitments which are the inevitable result of the policy that was initiated in those earlier years (Railway capital expenditure etc.). But, quite apart from these reasons, I am afraid we must recognise the unfortunate fact that the credit of the Government of India in London has been affected by the political unrest in this country.

Coming to my own responsibilities in the matter, the real test by which the wisdom of the action which I took in deciding to float a sterling loan in London as early as possible after my arrival in India can be judged, is by a consideration of the actual results of the Loan, and of the events which have since occurred and which show what would have happened if I had delayed. As regards this matter, the first question to ask is—Was the price offered unduly favourable to investors at the time when it was offered? In answer to this question, I think the actual result proved that if we had asked for a higher price than 91, we would have met with a complete failure. The actual results were that the public subscribed 77 per cent. of the loan and the underwriters had to take up 23 per cent. This shows that we cut the price very fine. If the underwriters had had to take up more than this, the loan would have been regarded as a bad failure, and this would have made it more difficult for us to get any future loans underwritten.

The next thing to consider is—Was the moment of issue wisely chosen, that is, if we had waited a few weeks or months, would we have secured more favourable general conditions in the gilt-edged security market? In answering this question, I must point out at the beginning that one cannot always exactly choose the time of issue. If one wants money at a particular moment, one may be forced to get it, even though better market conditions might have been secured by some delay. On the present occasion, we certainly wanted the money, although I might have been able to carry on for another two or three months. But I decided to make the issue at the earliest possible moment, because according to my judgment of the situation, conditions were more likely to get worse than to improve. The subsequent events have proved this decision to have been absolutely correct. In the face of the situation in New York, it was necessary for the Bank of England to raise their rate to 5 1|2 per cent on the

6th of February. This at once brought about a slump in the market for Government securities and created great nervousness as to the danger of money becoming still dearer. In fact, as I pointed out in addressing your Chamber during my visit in April, if we had not brought out our Sterling Loan when we did, the consequences would have been disastrous. It might have been difficult for us to arrange, in any of the subsequent months, for an issue at all. It is quite certain that we should have had to arrange for it at not less than five points lower than the price of 91 at which we made it, which would have meant a loss to the Indian taxpaper of £500,000. I think that on an impartial view, you must acknowledge that, taking into account the fact that a sterling loan was absolutely necessary, and considering all the circumstances at the time and the events which have since happened, it was a wise decision to issue a sterling loan last January rather than to wait.

5. In the last part of your letter you deal with the necessity for sterling borrowing generally and with certain statements made by my predecessor, and you connect the recent needs of the Government of India for sterling borrowing with the Currency policy of the Government.

All these issues raise very complicated questions. But I cannot help feeling that there has been a good deal of misunderstanding of the realities of the case. As regards the statements made by Sir Basil Blackett and the fact that no sterling loan was necessary from 1923 until the end of 1927 I have already referred to what I have described as a somewhat abnormal abstention from borrowing during these years. I think that if you read carefully the figures which I gave in my Budget Speech of this year, you will realise that during the period referred to, the Government of India were very largely financing expenditure out of various reserves. I pointed out that these resources could no longer be relied upon, and that future capital expenditure would have to be met in a much greater proportion by borrowing. I explained at the same time how the Government were committed to a large programme of capital expenditure both on the construction of new railways and on the buying up of existing railways, such as the Burma Railway and the Southern Punjab Railway. This was all part of the programme to which the Government had

committed themselves before my arrival, and I showed how it was impossible to make any sudden stop in the execution of this programme. The point, which I would like you and all those who are interested in the situation of public finance to realise, is that capital expenditure on constructing new railways and on the buying up of existing railways, involves the Government in heavy requirements for foreign currency As regards the former, of course, all items which cannot actually be produced in India, such as locomotives, etc., which are required by the Railways, have to be paid for in foreign currency; while as regards the latter, the purchases of the Burma Railway and the Southern Punjab Railway have, according to the terms of the agreement with the Railways, to be met by sterling payments. The essential thing to be remembered is that it does not show any intrinsic weakness in the Indian position either as regards the balance of trade or of the Exchange ratio if the external currency required for capital expenditure of this kind has, at least partially, to be met by external borrowing. It would be quite a different matter if the Government of India could not meet their normal recurrent needs for payment of interest on sterling loans, sterling pensions, etc., without external borrowing. But this is not the case.

If you analyse the position, you will realise that the amount of external borrowing which is necessary depends on three factors:—

(a) The amount of the Government's capital expenditure, either for new works or for the discharge of old liabilities and the proportion of the total amount which has to be met in sterling or other foreign currencies.

(b) The amount which the Government can raise in Rupee loans: and

(c) The amount that can be remitted through the normal channels, i.e., the extent to which loan money or other resources raised in the form of rupees can be converted into the necessary external currency. This of course primarily depends on the balance of trade, but it is important to remember that the normal effect of the balance of trade may be considerably interfered with by other influences—particularly if there is a tendency to invest money abroad.

As regards (a), it is of course clear that if there is no capital expenditure, or if the capital expenditure does not include any foreign payments, no foreign loans will be necessary. But, as already pointed out, the Railway programme at present involves substantial external payments both for buying up existing Railway companies and for purchasing goods which cannot at present be manufactured in India.

As regards (b), the importance of this factor is obvious. But it is of course also clear that money raised in the form of rupee capital cannot be used to meet external expenditure unless it can be converted into external currency. It is this which brings us to the consideration of factor (c).

Now in your letter you have not, so far as I understand it, directed your criticism at the Government's policy as affecting factor (a), and I understand that the real point of your argumrnt, and of the warning to which you have referred, is that the Government's currency and exchange policy must react unfavourably on factor (c), and by making the export trade for India more difficult, must reduce the favourable balance of trade.

As I have repeatedly pointed out, the figures for the balance of trade in the last years do not bear out this contention. They have shown quite a satisfactory growth in exports and quite a normal balance of trade as is brought out in the Table of actual figures which I give below. I would also point out that in the present year, factor (b) has also proved to be a limiting factor, for, as you know, the public have not subscribed sufficient cash for our recent loan to cover the whole of the money which is required to finance the capital expenditure programme (Railway expenditure, Provincial Loans, etc.) You will of course realise that I cannot attempt in this letter to write an exhaustive treatise on all the complicated issues which are involved in Currency policy, the balance of trade, the interdependence of the money markets of the world and the effect on India of high rates of interest for money in Europe and America, the flow of capital either towards or away from the country, etc., etc. But there is just one very clear point to which I would like to call your attention. This point is one to which I have on several occasions referred—namely the importance of the private imports of gold and silver in the Indian

economic position. I must ask you, in order to make this clear, to examine the following Table giving the statistics of private trade for the five pre-war years, for the war period and for the period since the war:—

	Average of 5 prewar years ending 1913-14 lakhs.	Average of 5 war years ending 1918-19 lakhs.	Average of 8 yrs. ending 1926-27 lakhs.	1927-28 lakhs.	1928-29 lakhs.
Re-exports of foreign merchandise	+2,19,50	+2,15,98	+3,11,16	+3,19,11	+3,30,13
Exports of Indian merchandise	+4,62	+8,16	+13,77	+9,54	7,83
Imports of foreign merchandise	—1,45,85	—1,47,80	—2,42,68	—2,46,78	—25,14,2
Balance of trade in merchandise	+78,27	+76,34	+82,25	+81,87	+86,54
Less Imports of gold & silver	36,07	10,80	39,50	32,19	34,36
Net visible balance of trade	+42,20	+65,54	+42,75	+49,68	+52,18

The above Table brings out that the private imports of gold and silver for the 10 years up to March 31, 1929, have amounted to 382 crores—an average of over 38 crores per annum. These imports of gold and silver may be said to represent the investment of savings, but it is investment of an unproductive kind. If these savings, which are now spent on importing gold and silver from abroad, were invested in productive undertakings in India, including Government Loans used for the building of Railways, there would be a twofold result: first there would be a much larger sum available for investment in Government rupee loans; secondly, the favourable balance of trade would be increased by about 38 crores a year, and this margin would mean that an additional 38 crores each year could be converted through the Exchange Market into foreign currency. If this really happened, not only would it be unnecessary to borrow abroad to meet the cost of capital expenditure incurred abroad (even with a large programme of capital expenditure on Railways) but also it would be possible for the Government of India in a comparatively short time to repay the whole of their sterling debt. The complete stoppage of imports of gold and silver is of course hardly to be regarded as a practicable possibility, but a substantial move in this direction is by no means impossible. Until that happens, the favourable balance of

trade is not large enough to provide foreign currency for the whole of a large capital expenditure programme, and therefore, until that happens, the Indian public must realise that if they desire to have a policy of active Railway construction carried out and to have advantage taken of every opportunity to buy up existing Railways, even though the liability has to be discharged in sterling, then it will be absolutely necessary to resort to a continuance of foreign loans.

I leave it to bodies like your Chamber to help to form public opinion as to what course in these circumstances is best in the interest of the Government of India.

D. O. Letter No. 1946, dated 30th August 1929, from Mr. L. R. Tairsee to the Hon'ble Sir George Schuster.

Your letter of the 18th ultimo was referred to a Special Sub-Committee and has received careful consideration of the Committee of my Chamber.

2. Regarding the first four paragraphs of your letter. my Committee note your views on the question and feel that whilst there is force in what is stated therein, the point of view presented by the Chamber should not be overlooked and I hope that you will bear that in mind in considering the question.

3. In paragraph 5 of your letter you refer to the external borrowings that you have had to resort to lately and observe that "it does not show any intrinsic weakness in the Indian postion either as regards, the balance of trade or of the ratio. if the internal currency required for capital expenditure of this kind has, at least partially, to be met by external borrowing." You further go on to say that it "would be quite a different matter if the Government of India could not meet their normal recurrent needs for payment of interest on sterling loans, sterling pensions, etc., without external borrowing." You then state that "this is not the case." Of course when this does come about, there will be no difference of opinion between you and my Committee that the position of such a Government can safely be said to be perilous and close upon insolvency. It is to avoid any such contingency developing hereafter that my Committee addressed your department at the length which they have done, during the last few years and I wish to point out that the fact that the Government

of India had this year to order practically cessation of capital works is only one step earlier than the last referred to above. I have no doubt that you must be anxious to see the final step averted.

4. You still seek consolation in the fact that the exports of India do not show any tendency to fall off. As Sir Purshottamdas Thakurdas said in the Assembly several times, this factor by itself is a misleading one to rely upon, at least so far as India is concerned. The exports from India must continue as long as there are crops growing, for, whilst the policy of Government regarding industries is what it has been, it is impossible to utilise the surplus crops in any other way but for export. I therefore feel that your relying so much on the exports not falling off may be a factor misleading you in your outlook and your inferences. The relevant question is, with more area under cultivation in India, are our exports going up from year to year, and if not, then I think, it will be regarded as a fairly grave problem requiring your close examination. The next question is, are the cultivators making any profits from the exports, or, is it that they are driven to export for the mere purpose of moving their crops for whatever they can fetch? I suggest for your consideration that the latter has been the case for at least the last two years. As a proof of it, the parity of American cotton, which has been against Indian cotton being exported since 1926, has now gone considerably in favour of Indian cotton being exported. During 1926-27, and, part of 1928, the prices of Indian cotton ranged considerably higher than justified by the parity of Indian cotton with American cotton. Since the beginning of this year, however, the prices of Indian cotton have ranged considerably lower than justified by the parity of Indian to American cotton. To make it clear, the prices of Indian cotton have since the beginning of the year ruled **considerably** cheaper than American cotton prices and in fact large quantities of Indian cotton have been exported to Europe, Japan and even America at prices **well under** the normal parity of Indian cotton as compared with American prices.

5. In the last portion of your letter you draw attention to "one very clear point" to which you say you had referred on several previous occasions, viz., the importance of private imports of gold and silver in the Indian economic position. You give a table giving

statistics of private trade for the pre-war years, for the war-period, and for the period since the war, and you draw attention to the fact that the private imports of gold and silver for the ten years up to March 31st, 1929 have amounted to Rs. 382 crores—an average of over Rs. 38 crores per annum. These imports of gold and silver, you say, represent the investment of savings, but this, you complain, is an investment of an unproductive kind. You further say that if these savings are spent in importing gold and silver from abroad were invested in productive undertakings in India, including Government loans used for the building of railways, there would be a larger sum available for investment in Government rupee loans and further, the favourable balance of trade would be increased by that amount a year, which would enable an additional 38 crores each year to be converted through the exchange market into foreign currency. My Committee have always felt that the Government of India have not given enough consideration to a diagnosis of the exact reasons why the result which you refer to is not achievable, and has not been achieved.

6. As you are aware, gold and silver are used principally for ornaments of Indian women and to a certain extent they look upon this as indispensable, bearing in mind the customs prevailing in the two major communities, the Hindu and the Mahomedan. Every Hindu wife is supposed to carry on her person some ornament or other as a symbol of marriage. For the richer people these ornaments are of gold, for the poorer ones they are of silver, and those who can't afford to have silver ones, will have ornaments made of even brass and other baser metals. Education may get rid of this sentimental attachment to ornaments in course of time. But the main thing is, that for want of adequate banking facilities, the illiterate Indian woman sticks to her ornaments because it is the one thing which she can preserve on her person without having to entrust them to anbody —no safes are necessary, no strong rooms are available—and the woman knows that as long as she has life in her, the ornaments will remain her absolute property. It is needless for me to remind you that these ornaments are her mainstay in times of difficulty and distress. The real reason thus is not merely attachment to gold and silver but also want of banking facilities and I have mentioned the

handicap due to illiteracy. Let me hope that the Banking Enquiry Committee will make substantial and far-reaching recommendations towards making banking facilities available to the 700,000 villages of India at their very doors. That being under consideration, I need not dilate further.

7. One grave reason however of this is the diffidence of the people to trust the present policy of Government. You know there is no gold currency in the country. Even Gold Standard has been refused and the people instinctively and rightly feel that they would rather have a few pieces of gold and silver in their own boxes than earn a little interest. It may sound a little extreme if I tell you that unless the Government adopt for India the same standard as every country has adopted in the world, viz., a Gold Standard, it would be impossible for Indians, who understand the problem, to do, what I call, intensive propaganda in the country and tell the people, that, whenever they have a surplus to invest, they must lend it to Government, who have gold in India as backing to the Indian currency notes. I know I am touching upon a delicate question. With the large quantities of gold going out of the Bank of England lately, a person who does not intimately know the Indian problem may feel exasperated at the mention of India being put on Gold Standard. An esteemed Indian friend from Europe in his letter under date 29th ultimo, says "look at the way they are losing gold. If we had 1|4 exchange we might have the gold instead of France and Germany, and England might have continued to have a share of it." The point is that if India's economic fabric was not so rudely and wantonly shaken as it has been by the deliberate attempts to appreciate India's pre-war ratio India would have been able to draw a portion of the world gold and there is no reason why at a juncture like the present one, when the Bank of England is losing gold, India would not lend her gold to England. But perhaps I am digressing. My object in this is to bring to your notice that a contented India, and India which has confidence in the Government's policy, that that policy is, from the point of view of India's national welfare—these alone can make the people forego the imports of gold and silver beyond the point absolutely necessary for their socio-religious and customary requirements. You will notice that I take for granted that all the 38

crores gold and silver imported per year during the period referred to in your statement are not for the necessary requirements of the people and I am arguing from your point of view. It is presumed that the Government have no figures from which you can say what part of the 38 crores per year is being used for savings purposes. You will perhaps recollect that during the war period, 1914-19, the import of gold and silver into India was considerably smaller than her pre-war annual average. It will be remembered this point being fully discussed by the Royal Commission on Currency with some witnesses, discussions having been very interesting from the Indian and British points of view. After the war unfortunately the policy followed by the India Office with the Babington Smith Commission's recommendations and later on with the Hilton Young Commission's recommendations (on each of the Commissions, the most representative Indian differing from the recommendations) has not inspired any confidence upon the people of India. I am aware, I am addressing this to you, who are unconnected with the policy recommended by the Government of India at each of these junctures. You unfortunately inherit the legacy and find yourself in a position which by no means is a rosy one. It is my Committee's anxiety to help you to envisage the situation correctly and with this end in view they have placed their views before you since you took charge. I will repeat my Committee's conviction that the Government's persistence in the policy followed by them since 1920 regarding the currency policy of India has been, to say the least, bad, and has been based on solicitude for interests other than Indian. It is never too late to mend and I hope you will still be able to warn the Government and the India Office and put them on the correct way as far as setting things right is concerned.

8. I need hardly apologise to you for the length of this letter. Whilst I have avoided being unnecessarily critical about Government's policy, I have felt that this correspondence between you and me would only be fruitful, if I expressed to you the views of my Committee on the subject in a frank spirit. I venture to think that the views I have given expression to are the considered views of the entire Indian commercial community. If any short-sighted person thinks that what I have suggested above, is likely to embarrass the British Government, all that I will say is that he does not realise that

India cannot give up her right of drawing the gold due to her for her balance of trade from the world market.

9. I wish to convey to you my Committee's thanks for your full explanation as contained in your letter under reply, and they trust that these frank views of theirs will receive your sympathetic and careful consideration.

P.S. If you have no objection, we wish to publish this correspondence. A line in reply will oblige.

D. O. letter dated 3rd September 1929 from the Hon'ble Sir George Schuster to Mr. L. R. Tairsee.

I have to acknowledge with thanks your letter of the 30th August, and, as you ask me at the end whether I have any objection to the correspondence being published, I am replying without delay. I have no objection at all to this, but I would ask you if you are going to publish your letter of the 30th August to add my present reply.

You will readily appreciate that at the beginning of the session in the Legislative Assembly it is difficult for me to find time to make a full rejoinder to all the points which your reply covers. But if the correspondence is to be published I must register a general reservation that I still differ from many of the conclusions stated in your letter. I feel indeed profoundly convinced that although all that you say deserves the most serious consideration, and although you have correctly called attention to certain difficulties in the present situation, your general conclusions are not on the right lines. One of the things which distresses me most in the present situation, and which I believe is most detrimental to the public interest, is that, owing to the past controversy, everyone's attention is unduly centred on the ratio question, and every sort of difficulty which exists to-day is ascribed to the Government's policy in that particular matter, thus diverting public attention from all other matters which I myself think are much more important factors in the present situation.

I feel it is so important that we should arrive at a clear understanding on this point, and I attach such value to the kind of thorough discussion of the issues which you have inaugurated as between our Chamber and myself, that I hope to be able to deal at a later stage

more in detail with the points raised in your last letter. According to my present plans I am hoping to be in Bombay about the middle of December next and I shall hope then to have an opportunity of meeting your Chamber and addressing them further on this question.

While, for the reasons stated above, I am delaying any full discussion of the points in question, there is one sentence in your letter to which I must make special reference. You make the statement that "the Government of India has this year to order practically a cessation of capital works," and you point to this as a step in the direction of insolvency. This, I may say, creates a most misleading impression. Actually, during the current year, the Government has authorised a capital expenditure of 27 crores on the railways, besides making large advances for capital works to the provincial governments. I have announced, it is true, the intention of curtailing capital works next year; but even then we shall be far from the stage of cessation. Moreover the reason for this course is one which has been made clear by me in many public statements, and is not at all one to give ground for lasting pessimism. What has happened in fact is that during the last few years the Government had committed itself to very heavy capital expenditure on railway construction and for purchase of railways, and had not at the time made completely adequate provision for raising permanent funds to meet that expenditure. The process of catching up arrears in this respect has been rather too heavy a strain on the investing market, and I think it essential that this strain should be for a short time relieved so as to allow the supply of investors' money to overtake the Government's demands. You may perhaps be surprised if I say that I consider that the response to the Government loan this year was in all the circumstances remarkably encouraging. We raised in fact about 13 1|2 crores in cash, all of which came from the genuine investing public and was not supplemented as in previous years by large subscriptions from the Imperial Bank. I think this response augurs well for the future, and that after the temporary stage of pulling up as regards new capital undertakings which I am now proposing, we shall find the situation completely restored, and the Government will be able to go ahead with new capital undertakings at a satisfactory pace. I should like to develop this point further when I see you.

In conclusion, I must thank you for helping me in introducing into this correspondence a tone of fair and frank discussion of these problems on their merits. I am sure that you will appreciate that from my point of view, coming to this country as a stranger, and anxious to do my best in its interests while I am here, the atmosphere of suspicion which one finds prevailing in certain quarters is extremely distressing. I feel that you are doing your best to remove this element, and for this, as I have already said, I am extremely grateful.

APPENDIX XXV.

SALES OF SILVER AND CONTRACTION OF CURRENCY.

No. 1663 dated 23rd July 1929, from Chamber to the Government of India, Finance Department.

I am directed by my Committee to send to you hereby their views regarding some of the currency questions which have come up recently and commend favourable consideration of Government.

The unprecedented and continued depression in trade and industries of India during the last 27 months have, now made the most ardent supporters of the higher ratio hesitate in their blind and implicit trust in the policy followed by Government in 1927. It may be argued that world conditions have not been helpful to Government in their venture of putting on the Indian Statute a ratio higher than the pre-war ratio, but the Committee of the Chamber feel that such a shrewd and well-informed international financier as Sir Basil Blackett could not have expected the world conditions to completely settle down in 1927. The net result, however, is that the unsettled condition in international markets have added to the trial of the people of India during the period of maladjustment of the higher ratio and both Government and the people are to-day faced with a situation which can, at the mildest, be said to be most unenviable.

So far as Government are concerned, they found their loan of 1928 a failure and in the current year they were compelled to increase the rate of interest on their loan and even then found that where they wanted at least Rs. 18 crores cash they received only a little

over Rs. 12 crores. It is further very well known that during the last 6 or 7 months the Government of India have been borrowing from the Imperial Bank by way of ways-and-means advances, and it would be interesting to the public to know how much interest Government paid to the Imperial Bank during the six months ended with, say 30th June last. My Committee understand that before long the Imperial Bank will show in their weekly statements the ways-and-means advances that they make to Government and this will be useful information, but if Government can supply this information it would be helpful.

With the failures of Government borrowings in India, they had to borrow from abroad in London. This has been done in fairly large quantities and at rates which compare unfavourable with rates at which Government borrowed in India at similar junctures. My Committee addressed Government separately in January last and they do not propose to enlarge on this here, but mention it as a relevant factor in the subject matter of this letter.

It is further well-known that Government are steadily selling the silver in their currency Reserves, as so far as my Committee are able to collect information the following is the total quantity sold by them since August 1927:—

1927 August

92,00,000 ounces-fine (999) at about Rs. 59.

1928 and 1929 (upto February 1929)

2,24,91,552 ounces (Standard) (925) at Rs. 60 to 66.

March 1929
19,48,535 ounces.

April 1929
53,17,239 Ounces

May 1929
25,00,000 Ounces (about)

} at a rate of Rs. 58 to 59.

My Committee cannot help protesting against this continued sales of silver about which no information is available to the public except after certain intervals. It is well-known that the purchases of most of this silver by the Government of India were at rates much higher than the approximate 24d. per ounce at which they have been

selling, and heavy losses must have been incurred by these sales on the taxpayer of India. The policy of Government regarding the sale of silver is such a secretive one that it is not possible for my Committee to criticise it in any but the most general terms, Government cannot be unaware that the Hilton-Young Commission recommended sale of silver on certain conditions, the principal of which was that silver when sold should be replaced by gold. There is no sign, however, of Government following this advice so far as my Committee are aware, and silver is being parted with freely for the purpose of supporting the higher ratio. A further tragedy in connection with this policy of Government is that whilst India has been importing silver steadily the Government of India have been selling silver belonging to taxpayers of India in London. This obviously involves avoidable double freight, insurance, bank commission, etc., items of expenditure quite welcome to those who are benefited by them on imports and exports of silver, but which Government can avoid, with a little consideration to the mutual benefit of the Indian consumer and the Government of India. What justification the Government of India can have for following this extraordinarily extravagant policy, my Committee have not yet been able to understand, and I am, therefore, directed by them to request that Government will kindly explain their policy in this connection to avoid misapprehension by the public, if any.

With the failures of the Government of India loans in India last year and this year and the comparative difficulty of further sterling borrowing in London, it is not surprising that Government have to resort to curtailment of capital expenditure. My Committee are not sure that even for the expenditure already sanctioned if sufficient finances can be said to be within the reach of Government, and they would very much appreciate more information on this score, if the same be not regarded as necessarily secret by Government.

The course of the sterling rupee exchange during the last two weeks has proved the unsuitability of the artificially appreciated exchange to Indian conditions even 27 months after the higher ratio was put on the statue. Immediately after the Government loan was closed last month, Government had to contract currency at one stroke to the extent of Rs. 4 crores. My Committee are inclined to

believe that Government had to do this in order to put the Secretary of State for India in funds in London even at the risk of the exasperation of the Indian public which increases when they know that no sooner they lend money to Government, than Government contract currency for their pet object of supporting the higher ratio. Rumour has it that heavier deflation is contemplated by Government before long. To what extent this is correct, it is very difficult for my Committee to say; but they would appreciate a full statement by Government regarding the policy they propose to follow. I am to inform Government of the very strong conviction of my Committee that unless they take the public of India in their confidence regarding their policy hereafter the people will always regard with suspicion any steps that Government may take regarding borrowing either in India or abroad.

My Committee think it hardly necessary for them to impress upon Government by this letter the extent to which depression in trade and industries has been marked in an unprecedented manner in India since 1927 and conditions have been steadily worsening. The undoubted limited purchasing capacity of the masses of India has been very nearly shattered by the enormous losses involved on the agriculturists of India during the last four years by the higher ratio, and my Committee would still urge Government not to be misled by the wrong notion that the higher ratio has been adjusted to the internal conditions of India. My Committee suggest to Government that they may still see their way to have prepared indices of prices for 1924-25, 1926-27 and subsequent years to the current year to mark for themselves and watch the steady deterioration in the agricultural, commercial and industrial conditions in India.

My Committee trust that this letter will receive most serious attention of the Governor-General-in-Council and that a statement of the policy of Government will be available to the public with as little delay as possible.

No. D-3710-F, dated 9th September 1929, from the Government of India, Fanance Department to Chamber.

With reference to your letter No. 1663, dated the 23rd July 1929 and the reminders thereon dated the 23rd August and 2nd September

1929, I am directed to enclose a copy of the replies given by the Hon'ble the Finance Member to certain questions by Mr. Kelkar in the Legislative Assembly together with the supplementary questions asked on the occasion. These replies coupled with the recent correspondence between the Hon. Finance Member and Mr. Tairsee cover a great deal of the ground taken in your letter and it will be observed that the Hon'ble the Finance Member hopes to make a further statement regarding Government's policy on the question of silver sales etc. In the circumstances, a separate reply to your letter does not now appear to be called for.

Extract from the proceedings of the Legislative Assembly.

The Honourable Sir George Schuster:

(a) I would call the attention of the Honourable Member to the answers given to similar questions, asked by Mr. Vidya Sagar Pandya in the Assembly, on 6th February 1929, and by Sir Phiroze Sethna in the Council of State on the 17th September 1928. The market in silver is a sensitive market, and dealings on a large scale have to be handled with great discretion and secrecy in order to avoid speculators taking advantage of the positon, or any demorilisation of the market. For these reasons I do not think that it would be in the public interest if I were to give any further detailed figures at the present stage.

I am however devoting my attention to devising some means by which fuller information can be given to the public on these points without actual damage to the public interest, together with a fuller explanation of the Government's policy. If the Honourable Member will come to see me I will explain to him fully what is involved in this question. For the present it may interest him to be reminded that at the date which the Currency Commission took as he basis for their Report in April 1926, the stock of silver in the Government reserves was 85 crores of rupees, and on 22nd August 1929 it was 110 1|2 crores. Further, I can tell him that, with the exception of one lot of nine million ounces of fine silver, which was actually sold for delivery in India, all the remaining sales hitherto made have been of unrefined silver, not acceptable on the Indian market. This silver has been sold for special purposes abroad. No sales have yet

been made of fine silver produced at the new Bombay refinery. There has been no instance of fine silver suitable for the Indian market being sold abroad with a possibility of being shipped back to India.

(b) The proceeds of the sale of silver have hitherto always been invested in what may be described as gold securities, generally British Treasury Bills.

Supplementary Questions to Q. 109. .. ....

Sir Purshotamdas Thakurdas: Is it a fact that the refinery at Bombay has been working and that they have removed the discount on silver refining in India?

The Honounrable Sir George Schuster: It is a fact that the Bombay refinery has been working now for some months and I am glad to say that the discount has been removed, the removal to take effect from October.

Sir Purshotamdas Thakurdas: That then removes the handicap on the Government selling Indian refined silver in Indian market.

The Honounrable Sir George Schuster: That does remove the handicap and I hope that all the fine silver produced in the Bombay refinery will find its place in the Indian market?

Sir Purshotamdas Thakurdas: Do I take it that Government will take advantage of this removal of the handicap and will sell silver in India which is the largest consumer of silver in the world?

The Honourable Sir George Schuster: I hope to include a statement as regards the policy of the Government in selling the silver in the statement which I mentioned in my answer to the question I had under consideration. I would ask the Honourable Member not to press me any further on this matter. I am fully alive to the public interest that is taken in this question and I am sure the Hon'ble Member, on his side, is also

fully alive to the fact that the silver market is a very sensitive market and that we have to proceed with great caution in this matter; otherwise we might depreciate the price of silver unduly and the price of silver is a thing which affects the interests of almost everybody in India. If the Government is not very ready at the moment to say exactly what it is going to do, it is not because it wishes to keep anything back from the public but simply because we have very much in mind these important points to which I have referred. I am sure the Honourable Member will recognise that it is not my practice to withhold information from this House and I very much regret that I cannot at present say anything more. But it is because I feel it is in the public interest that I should not say more at the moment that I am keeping silent.

Mr. Ghanshyam Das Birla: Will the Honourable Member kindly say why the proceeds of silver were not utilised in purchasing gold bullion instead of gold securities?

The Honounrable Sir George Schuster: The Honourable Member will realise that the acquisition of gold from time to time may be matter of some difficulty. It might perhaps interest Honourable Members if I gave the House the figures of the holdings of gold and gold securities and of silver as they stood in June 1927 when the policy of selling silver was first commenced and as they stand to-day.

In June 1927, the total note issue was 172.57 crores, the gold holdings in the paper currency reserve and the gold standard reserve combined were 32.6 crores "gold

securities" stood at 50.46 crores and the silver holding at 107.34 crores. On the 22nd August 1929, the total note issue was 185.72 crores, the gold holding was 35.1 crores, the holding in gold securities was 52.52 crores and the holding in silver was 110.43 crores. That is to say, the note issue has been expanded by about 13 1|4 crores, the holding in gold has been increased by 2 1|2 crores, the holding in gold securities has been increased by just over 2 crores and the holding in silver has been increased by just over 3 crores.

If the Honourable Member will examine those figures I think that he will find some answer to the charges that have been made against the Government, and to the suspicion which exists.

Mr. Ghanshyam Das Birla: Was it not one of the conditions, or rather one of the recommendations of the Currency Commission that the sale proceeds of silver should be utilised for purchasing gold bullion and in view of the fact that opportunities were offered to replace silver stocks by gold bullion, why were those opportunities not utilised and instead of that money was invested in gold securities?

The Honourable Sir George Schuster: I think that the Honourable Member's supplementary question will arise more properly in connection with the answer to question No. 110. With your permission, Sir, I should like to deal with that point in answer to that question.

Mr. Ghanshyam Das Birla: Will the Honourable Member kindly give an undertaking that in future when silver sales are made, the proceeds of such sales will be utilised in purchasing gold bullion and not gold securities?

The Honourable Sir George Schuster: It would be very difficult for me to give a categorical undertaking of that kind. It may not always be possible to apply the particular proceeds of a particular sale in that way. At the same time, I am very much alive to the strong public feeling which exists on this point. I am giving the very fullest consideration to it and in any general statement which I may make as regards the Government policy I will deal with that point. I think any further explanation on this point will arise more appropriately on the next question.

Question 110

Reply:—The Honourable Sir George Schuster:

I presume that the Honourable Member is referring to the recommendations of the Commission in paragraph 78 and 145 of their Report. Strictly speaking, all the recommendations of the Commission were dependent on the formation of a Central or Reserve Bank, and the programme which they laid down for the increase of the holding of gold and for the reduction of silver stocks dated from such formation. As the Government's proposals for the formation of the bank were not accepted by this Assembly, it may be said that the opportunity to give effect to the Commission's recommendations has not arisen. On the other hand, as I have stated on a previous occasion, the Government still consider the formation of such a bank to be ultimately desirable, and one may conclude from the Report of the Currency Commission that they would have thought it appropriate to carry out certain of their recommendations in advance of the formation of the bank if that were to be, as at present, delayed. It is clear, for example, that the Commission thought that in any case, the silver holdings were excessive, and that it would be desirable to increase the gold holdings. As regards the latter, the Commission recommended that the gold holdings should be brought up to 20 per cent. of the liabilities of the issue department after the end of the fifth year from the formation of the Bank, and to 25 per cent. at the end of the tenth

year. They further recommended that in no case should the gold holdings be less than 30 crores. At the date which the Commission took as the basis for their Report, (namely April 1926), the total note issue outstanding was just over 185 crores, and to this liability the Commission added a liability of 50 crores in respect of what they called "rupee redemption," thus making the total liabilities 235 crores. At that time the total gold holding in the Gold Standard Reserve and the Paper Currency Reserve combined was 29 3|4 crores; that is to say the gold holding represented just over 16 per cent. of the note issue and 12 2|3rds per cent of what the Commission called the total liabilities. On 22nd August 1929 the total note issue was 185.9 crores, and the gold holding in the two reserves together was just over 35 crores. That is to say the gold holding had been increased by 5 1|4 crores to a figure representing about 19 per cent. of the note issue, and just under 15per cent. of the figures which the Commission took as the "total liabilities." The increase in the gold holdings from 12 2|3 of the total liability to 15 per cent. does represent a considerable step along the course recommended by the Commission, and I would remind the Honourable Member that more than half this increase has been made since November last.

Supplementary question to Q. 110.

Mr. Ghanshyam Das Birla: Is it a fact that this percentage has been increased on account of the contraction effected in the currency?

The Honourable Sir George Schuster: There has been no contraction effected in the note issue. I gave the figures to the Honourable Member. At the date the Commission took as their basis, April 1926, the outstanding note issues was 185 crores. On the 22nd August last, it was 185.9 crores.

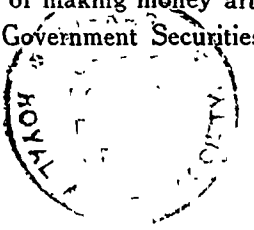
Telegram from the Chamber to the Government of India dated 11th November re: Contraction of Currency.

I am directed to confirm the telegram sent to you on the 9th November 1929 by my Committee as under:—

"Committee Indian Merchants' Chamber feel that the contraction of Rupees three crores last week by Government

and the simultaneous raising of the Bank Rate to seven percent are unmistakable proofs of the non-adjustment of the 1|6 ratio and bring out beyond dispute the futile efforts of Government to support the higher ratio. Government cannot be unaware that the country at this time is just entering on the busy season of the year and that the contraction of the volume of currency at this moment cannot but affect most injuriously the trade of the country and through it its industry. Committee feel that more than two and half years have elapsed since this ratio was put on the statute and the fact that it still requires so much manipulation and management and further that decpite the support Government have given during the last four months exchange has not been able to rise above 1-5.7|8 are all proofs of the unjustified straits to which the country is being put for the sole purpose of maintaining the ill-fated ratio. That with a cash balance of about Rupees thirty crores in the Imperial Bank and with call money freely available in Bombay and Calcutta round about two per cent. and with a further decrease in trade demand to the extent of Rupees two and a half crores for the week the Imperial Bank should have been compelled to raise their Bank Rate from six to seven per cent. all bespeak the necessity of Government reviewing the whole position now with the help of a selected number of people interested in Banking, Commerce and Industry of the country from all over India. Only such a review by responsible and representative people can arrest the increasing want of confidence which is growing in commerical circles in the policy of Government. Committee feel that unless any such method is adopted to put before the public the collective views of the Finance Member and representatives of commercial interests the widest apprehension will prevail in the country that Government are determined to see the higher ratio through irrespective of considerations either for the agriculturists produce being marketed at rates leaving him some margin or of

the interests of the industries of the country. Further Committee feel that Government are very shortsighted in their policy as they overlook the extremely disastrous effect which their determined policy of making money artificially dear in India is having on Government Securities. Inchambu."



APPENDIX XXVI.

Interviews with the Hon'ble Sir George Schuster, Finance Member to the Government of India

Speech of Mr. L. R. Tairsee, President, at the interview on the 22nd April 1929:

It falls to me, as President of this Chamber, to welcome you amidst us, members of the Committee, and to express our pleasure at your having escaped, with but slight injury, from the dastardly attack made upon you and other members of the Assembly in the Assembly room.

Let me likewise congratulate you on your having agreed to the appointment of Central and Provincial Banking Enquiry Committees. The matter is the more deserving of congratulations, as you have made a most welcome departure in having consulted informally popular leaders as regards the scope and objective of the enquiry, before publishing the terms of reference, a step which so far as I know has been taken for the first time. Having appreciated its value may I suggest that the Government of India in all their departments will in future and before starting on any similar enquiry consult, as you have done, representative public opinion of the country?

My Committee have noted with satisfaction that the Government of India have after all made up their minds to hold an exhaustive enquiry regarding the requirements of Banking in India. You will perhaps recollect that beginning with 1893 (the Herschell Committee) every Currency Committee has recommended an exhaustive enquiry into the requirements of India regarding Banking. Full 35 years have rolled past, and we are glad now that you have not allowed much time

to elapse since your taking over the Finance Membership of this country to set on foot this enquiry.

My Committee have seen the letter that you have addressed to the Provincial Governments. The terms of reference, as indicated therein, are fairly wide, and will allow of the banking requirements of India being looked at from all possible directions. I understand that you have agreed at the Party Leaders Conference in Delhi that the Chairman of the Committee will be an Indian. There is no reference to this in your letter to the Provincial Governments, and we would like to be assured that this information and consequent expectation are well-founded. I need hardly say that a non-official Indian Chairman and Indian majority on a Committee are now regarded as a **sine qua non** of any proper enquiry; and I trust that the Committee which you will constitute will be in full accordance wih this. It remains for me to say that we look forward to the result of the enquiry with interest. Let me add that the best expectations of the Indian public in this connection will only be satisfied if Government put on the Committee persons of recognised knowledge and experience of the problem who will inspire confidence in the public at large.

I do not think I need make any apology for reference to the question of the ratio. My Committee have noted that you referred to placing of th 1|6 ratio on the Statute Book, to use your own words, **without prejudice.** Everybody knows of the tyranny of the past and of the dead, through their will and codicils exercising their influence on their heirs and successors, which they could not when alive. The Exchange policy of Sir Basil Blackett, to which you are heir, exercises naturally an influence on the present policy of the Government of India. You have abstained, and not unnaturally, from expressing your opinion as to whether the Government of India were right or not in forcing the 1|6 ratio on the Statute Book in the manner they did. In paragraph 87 of your speech you put a simple question. I wish, in my turn, to ask you another simple question in this connection. Are the Government of India convinced that the results of going back to the 1|4 ratio will be more harmful to the country than of persisting in the 1|6 ratio, bearing in mind the great privations through which the country is passing, and the greater privations which many in the country still apprehend? You

will have noted that lately responsible commercial bodies in Karachi, the United Provinces, Madras and Calcutta—to say nothing of the European agriculturists' representatives of the Punjab—have expressed themselves in unmistakable terms in favour of the original ratio of 1|4. The bona fides of none of these Associations and individuals, who have spoken so fearlessly during the last two months, can be suspected. You refer in the latter part of paragraph 87 to the assurance that other countries may expect regarding the statutory ratio being of a certain degree of permanence. I do not think it wrong to assert that, what we are most concerned with is, the highest welfare of this country first and last. For guarantee of our good faith towards other countries, it is for the Government to tell them frankly that Government had already tried their hand at putting on the Statute Book a ratio higher than the pre-war ratio, and this was an experiment which had not succeeded. I may say that the bane of Government's currency policy during all these years has been too much attention to the interests of countries other than India, and if you cannot give a convincing proof that the higher ratio is not injuring the commercial, industrial and agricultural interests of India, it is only right to expect you to courageously recognise the fact and set matters right before it is too late. May I enquire what there is to prove that the 1|6 ratio has adjusted iself? As a matter of fact you will recognise that the higher ratio is impeding our exports and is encouraging imports into this country. It has not prevented Labour troubles, but has accentuated them in a manner which India has never experienced before. We are aware that, as Government have placed this ratio on the Statute Book, they are not likely to allow the ratio on the Statue Book to be touched by any non-official amending Bill. Indeed your statement in the Budget speech gives the impression that, unfortunately, the Government of India are not prepared to sit down and review the situation in a manner which will carry conviction. Sir Munmohandas Ramji asked for a statement in the Council of State regarding the effects of the higher ratio; the Finance Department replied by saying that they have no such statement available. All this gives the unmistakable impression that Government propose to stick to the shortsighted gain they made by the unfortunate vote of the Assembly in March 1927, and, on behalf of this Chamber, I

cannot sufficiently deplore this attitude of Government. The various warnings given by this Chamber and their representative in the Assembly, regarding the worst effects of the 1|6 ratio, have, unfortunately, come but too true, and it is an irony of fate that you should have to be in a perplexing position regarding the ways and means of the Government of India and simultaneously to plead that the higher ratio should not be criticised any further, but be accepted as a settled fact.

This brings me to ask whether you have any figures indicating to prove that the condition of trade, commerce and industry of India since 1927 has been normal. I have a few weekly reports of the firm of Messrs. Samuel Montagu and Co. in which are given interesting indices of various countries like Italy, France, Czechoslovakia, England and America, enabling one to follow the internal prosperity or depression of internal trade in each country, at intervals, as reflected by certain standards. May I enquire why India cannot have any such figures prepared since 1926? Until the Finance Department are able to put before the public some data which will give an approximate proof of the normality of conditions in India, let me tell you quite frankly that the whole of the commercial and industrial community in India have been convinced that things have been going from bad to worse still. This, in short is the reason why the various bodies referred to above by me have pressed for a re-consideration of the ratio question. Need I add that my Committee join in this request?

I wish to repeat, on behalf of my Committee, that they hope that you will ere long take up the question of having statistics on the lines indicated above compiled, statistics, without which we in India can be said to be groping in the dark, and darkness is a treacherous ally to depend upon.

My Committee had occasion to write to you in the beginning of this year when the Sterling loan of £10 million was floated by the Secretary of State for India in London. Unfortunately, to this representation, referring to an important question like the loan policy of Government, no reply was vouchsafed to us by your Department. A similar representation was addressed by us to the Government of India in 1921 condemning the extravagance of the terms offered to

investors in the United Kingdom to the prejudice of the Indian tax-payers and investors. What my Committee cannot understand is why the Secretary of State issues the Indian Sterling loan in January when the London money market is naturally tight, and not in May-July when that market is comparatively easy. Some of the loans raised in London were floated at dates given underneath:—

Name of Loan.	Rate.	Date
4 1|2 per cent. New Zealand Govt. Loan	98	5— 5—28
4 1|2 per cent. London County Council	94 1|2	26—5—28
4 1|2 per cent. Birmingham Corporation.	97 1|4	20—10—28

The figures given above indicate that in borrowing in the London market, the Government of India have secured terms which were worse than even the terms secured by municipalities like the London County Council and the Birmingham Corporation. Sir Basil Blackett, in introducing the Budget for 1927-28, prided himself on the fact that Government had successfully avoided the issue of any Sterling loan since May 1923, and that the budget for 1927-28 included no provision for any external loan in that year. A few months later, however, the Government of India had to borrow £7 1|2 million in London, and this was explained in the following words in the budget speech for 1928-29:—

> "I have little doubt that in spite of the sterling loan of £7 1|2 million in 1927-28, the net amount of India's external indebtedness has been considerably decreased and not increased in the course of the last year. It will be seen from the figures which I am about to give of the Government of India's total debt, that the increase during the year of our external indebtedness as a Government, is considerably less than the amount of the sterling loan and that the sterling debt is only 3. 1|3 millions more than it was three years ago."

My Committee regret to note that you have not definitely committed yourself against the raising of loans in the London market. While my Committee do not look upon foreign capital as an "untouchable," they are of opinion—and the late Finance Member sup-

ported them in this view,—that India should be, as far as possible, self-contained with regard to borrowing for public purposes. The response given by the people to different loans which have been raised since the War have encouraged my Committee to believe that if the financial resources of India are properly tapped there will be an adequate response for loan funds required by Government. Such indigenous borrowings will conduce to economic utilisation of funds in the country and even perhaps induce whatever there may be of hidden hoardings in the land to come out, thus helping the banking and industrial progress of the country. My Committee trust, therefore, that your borrowings for Government purposes will be in this country. May I,, however, request you in this connection to kindly send a detailed reply to the letter of my Committee sent to your Department in January last, as we shall then be able to know what are the exact reasons, which induced the Secretary of State to float the loan in London at inconvenient dates. If you, Sir raise your powerful voice in support of our suggestion, it might mean a definite and tangible advantage to India if a Sterling loan has ultimately to be floated in the London money market.

Concluding, I think I can wish you nothing better than that you will have the poetic gift to look at the problems of India as Indians look at them, and, so looking, act in the best interests of the country.

The Finance Member's Reply

The Hon'ble Sir George Schuster then replied. He was glad that the procedure he had adopted with regard to the Banking Enquiry had met with a good response. It was something of an experiment, and he hoped that it would prove a success. The plan was based on the idea that co-operation was necessary between the best that India could produce and the best that could be available from outside. The Central Committee would be essentially an Indian Committee, which would, before making its final recommendations, consult with experts possessing knowledge of industrial and agricultural credit in other countries, where the banking system has been further developed than in India, say from the United States, England and the Continent of Europe. Regarding the question of the Chairman of the Central Committee he gave an assurance that an Indian

gentleman would be appointed as Chairman provided a suitable one was forthcoming, and he felt confident that such a one would be available.

With regard to the ratio question, the Hon'ble the Finance Member emphasised that if any idea of going back to the 1|4 ratio were entertained, this would create a state of uncertainty which would be disastrous to all business. Nothing was more essential for business than a feeling of security. Nothing was worse than uncertainty as to the whole basis. It was for this reason that he had made so definite a statement in his budget speech, because he thought it was in the best interests of Indian business that all uncertainty should be removed. He was himself convinced, after the most careful and earnest consideration and a full appreciation of the grave responsibility, that it would be far worse for the country to go back now, after four years, to 1|4 than for it to continue with its 18d. ratio. Regarding the demand of the Committee that a comprehensive statement should be issued by Government setting forth in detail the results which have come about with regard to trade and industries in consequence of the adoption of the 18d. ratio, he remarked that the onus of proof lay rather on those who wanted a change and who asserted that the new ratio had proved disastrous. He at least had not as yet seen any proof forthcoming from which he had been able to convince himself that the 1|6 ratio had proved so disastrous to Indian commerce and industry that it was worth facing all the possible disadvantages of making a change now. He deprecated the suggestion conveyed in the Chairman's speech that his own reference in the Budget debate to the loss of India's credit, implied too great a consideration for interests outside India. When he spoke of the disastrous effects on India's credit he was thinking of India alone, for no country in modern conditions of international trade could afford to sacrifice this, and it was the best interests of India that he had at heart in advocating what he did. Figures again did not support the contention that exports had decreased or imports had increased through the new ratio. The Hon'ble Member quoted figures in support of his contention.

With regard to indices of prices, income, etc., which the Committee had contended, should be prepared on the lines of those to

be found with regard to the leading western countries, he recognised the desirability for getting better statistics; but he emphasised the difficulty of getting these in a vast continent like India. He had been reading recently the report of the Indian Economic Enquiry Committee and was giving his earnest consideration to the improvement of the present position which he promised now to discuss with the Commerce Department.

With regard to the contention of the Committee regarding the Loan programme, he expressed his regret that through an oversight the letter of the Committee had remained unanswered, and he promised to send a reply in detail on his return to Headquarters. He observed that the criticisms of the Committee were wide of the mark and that their remark that the London money market was tight in the beginning of the year was not in accord with his own experience. It was an accepted view in London that the early part of the year was, generally speaking, likely to be the most favourable time for a loan issue. The large disbursements of dividends on January 1st were likely normally to create easy money conditions. He deprecated the suggestion made in the Committee's note that the interests of of India had been disregarded in the choice of dates for the issue, and remarked that he wished it would be possible for some of the critics to be present in his office from day to day, so that they might see the great amount of care and trouble which was given to the arrangement of these matters. In order that the Comittee might understand the position, he gave a detailed account of what had happened in connection with the last loan; how he had decided that a loan was necessary without delay; how the issue had been arranged for early December; how the King's illness had so upset markets that delay was necessary; how in January he had been asked to consider whether he would postpone the loan till May; how he had decided to make an immediate issue first because he anticipated a rise in the bank rate in England and a consequent fall in the price of Government securities, secondly because the money was really needed; how subsequent events had proved this decision to be correct because after the loan had been brought out at 91, its price fell during the next two months to 87. He was convinced if they had not made the issue when they did the result would have been a

very serious loss to India. They certainly could not have floated the loan at better than 87 which would have meant a loss of £400,000 sterling; which he doubted very much whether they could have floated it at all. He mentioned incidentally, (though he did not to over-stress the point) that during the period while they were waiting to bring out the loan, there had taken place the All Parties Conference and the Indian National Congress at Calcutta, and that the resolutions passed then had undoubtedly affected the confidence of the London investment market in Indian securities.

Sir Purshotamdas Thakurdas and Mr. Manu Subedar, queried the statement that the time for the issue of the loan had been the best possible, and referred to the rates at which the loans of dominions like New Zealand and even of some British municipalities had been floated.

The Hon'ble Sir George Schuster replied that prices obtained for loans issued in May 1928 were hardly a reliable guide, for money conditions had become more difficult since then. He also pointed out that it was necessary to face the fact that recent political developments were affecting London investors' views about India and that the Stocks of New Zealand and of British Corporations were more popular now in England than Government of India stocks. He pointed out that New Zealand had issued a loan in January 1929—two days after the Government of India loan—at a much more favourable price, and this showed that it was a difference of credit and had nothing to do with the date for the issue.

After Mr. Tairsee had again thanked the Hon'ble Sir George Schuster for his interview that evening, the Meeting terminated.

Interview on 14th December 1929

A meeting of the Committee of the Indian Merchants' Chamber was held on Saturday, the 14th December 1929, at 12 Noon, to meet the Hon'ble Sir George Schuster, K.C.M.G. C.B.E., M.C., Finance Member, Government of India.

Mr. L. R. Tairsee, President of the Chamber, welcomed the Hon'ble Sir George Schuster, on behalf of the Committee of the Chamber, and thanked him for the interview. He observed that the financial situation since Sir George left India had not improved

and that there had been further deflations bringing up the total during the year to Rs. 20 crores, while the Bank rate had gone up to 7 per cent. All these steps taken to prop up the exchange ratio had not worked in the interests of the country and his Committee would like to hear from Sir George Schuster an explanation of the policy which Government were pursuing at present. Such a statement from the Hon'ble Member at this juncture would throw much light on the present situation.

The Committee addressed the Government of India on the 11th November regarding the present situation suggesting that a conference might well be convened of different representative interests to review the whole position regarding the working of the exchange ratio. Mr. Tairsee drew attention also to the imperceptible contraction to the extent of the difference between the nominal value of the silver rupee and the market value—purchase of sterling securities with the sale proceeds and effecting contraction to the corresponding extent to transferring these securities to the Secretary of State. He also pointed the heavy capital expenditure on Railways in recent times. While he admitted the percentage for this year was not very large, such a capital expenditure on the whole had something to do with the depression in trade and industries owing to Government taking away from the market a large amount of available funds for their loans.

The Hon'ble Sir George Schuster replied to the different points raised by Mr. Tairsee. He began with saying that money conditions with a 7 per cent. Bank rate in December were not abnormal. He then pointed out that all through the last months the Government had been doing nothing but performing its functions as the Currency authority of the country in just the same way as Currency authorities in other countries. All of them had to face the situation created by the abnormal speculation and high rates for money in New York which created a tendency for money to be drawn towards the place where high rates prevailed. Enormous quantities of money had been attracted to New York from all money centres and the Bank of England together with other central Banks had been forced to take exceptional measures to protect its position.

Sir George Schuster then pointed out that in India the position was often misunderstood because the Government here is not only the

Currency authority but is also itself the largest operator in the remittance market. The result of this is that conditions in other countries which would be expressed in the form of an outflow of gold, in India take the form of a difficulty for the Government to effect its own remittances; and if then the Government takes action to protect the position, it is accused of "bolstering up the exchange artifically in order to effect its own remittances." If, on the other hand, in another country where these conditions do not prevail—as for example in England—the Bank of England puts up the Bank rate in order to protect its gold reserves—the matter is viewed quite differently. In fact the Government of India had in the past months merely been doing what every other Currency authority was doing, and he thought that if they were open to criticism at all, it rather be on the ground of not having been drastic enough in contracting currency during the summer months.

As regards the actual contraction effected, Sir George Schuster pointed out that it was not fair to take only what had been done during the months of the slack season; they must also include the preceding months when there was considerable expansion. If this is taken into account, the net contraction since 30th of November 1928 was 15,61 lakhs and this included the hidden contraction against silver sales to which Mr. Tairsee referred.

As regards the last matter of hidden contraction against silver sales, Sir George Schuster assured Mr. Tairsee that he had taken into account the public criticism of this and that as from the 1st of December this practice had been discontinued.

With regard to the exchange question, Sir George Schuster said that in the whole situation he could see no justification for saying that the maintenance of the rupee at 18d. was the cause of the present depression in India. None of the usual tests and statistics supported the view that it was now having a devitalising effect on the trade of the country. He could only re-assert more strongly than ever the opinion that he had expressed last year that there could be no worse mistake than to change the ratio once it had been fixed. He must further emphasise that what was wanted above everything in order to create sound business conditions was to have stability and security. Mr. Tairsee had suggested that

there should be an enquiry into the working of the present ratio. Sir George Schuster said that he was always willing to listen sympathetically to any public demand for enquiry into conditions which affected the welfare of the country as had been evidenced by his past actions, but that in the present case he felt it his duty to negative the idea from the outset, as such an enquiry could only be interpreted as meaning that there was some doubt as to the maintenance of the Government's statutory obligations, and this doubt would create just that atmosphere of insecurity which he considered would be most disastrous to commerce and industry and the general welfare of the country. The Government, as he had already said, felt it to be inconceivable that they should deliberately depart from their statutory obligations, and in these circumstances an enquiry would merely arouse false ideas.

On account of all these reasons he could not agree to the suggestion of having a Conference.

With regard to capital expenditure on railways, he did not think that Government had taken away money from the market in a way which hampered the development of other enter-prises. While he admitted that we must go slowly with capital expenditure on railways, he emphasised that the railway programme was always a necessary and useful factor for the development of the economic wealth of the country. For this purpose that it must be agreed that it was better to build new Railways than to buy old ones.

After the replies of Sir George Schuster, there was a discussion in which Messrs. N. M. Mazumdar, Manu Subedar, Chunilal B. Mehta and Behram N. Karanjia took part.

The meeting then dispersed."

APPENDIX XXVII.

ENQUIRY INTO BANKING CONDITIONS IN INDIA

The Bombay Provincial Banking Enquiry Committee: Letter dated 3rd April 1929, from the Government of India, Finance Department, to all Provincial Governments.

I am directed to refer to this Department's letter No. D-5121-F., dated the 22nd December 1925, asking, among other things, for the

views of the Local Government as to the best method of surveying the field of banking and of encouraging the development of banking in India. By the time the replies of the Provincial Governments were received, the Government of India had also received the Report of the Royal Commission on Indian Currency and Finance, which recommended the creation of a Central Bank for India. These replies and the Report were duly examined by the Government of India, who came to the conclusion that the establishment of the Reserve Bank of India and its activities through its member Banks would go far to remedy some of the major defects in the Indian banking syetem and to improve banking facilities generally. They therefore thought that on the whole it would be preferable to postpone further enquiry of the kind previously contemplated until some experience of the working of the Reserve Bank of India had been gained.

2. When, therefore, Mr. S. N. Haji moved a Resolution in the Legislative Assembly in February 1927 recommending that a Commission be appointed to investigate the present condition of banking in India and to make recommendations for their improvement and expansion, the Hon'ble the Finance Member, on behalf of the Government of India, explained that, though they shared the desire of Mr. Haji and his supporters that an enquiry should be made into the banking system of India with a view to its improvement, they did not think that the time chosen was opportune. In making this statement Sir Basil Blackett further explained that an important portion of the ground of the proposed enquiry, namely, the financing of agriculture and facilities for agricultural banking would be covered by the Agricultural Commission, and that Government would consider the position again when the Commission had reported.

3. As the Local Government is aware, however, the Reserve Bank Bill was rejected by the Legislative Assembly in February 1928, and the Government of India, feeling that the atmosphere in which the Bill was lost was not favourable to public investigations of a technical and scientific nature, decided to let the question of a banking enquiry rest at least until they had had an opportunity to study the Report of the Agricultural Commission presented in April 1928.

4. Both the Federation of Indian Chambers of Commerce and the Associated Chambers of Commerce revived the question at their

respective annual meetings in December 1928, the former passing a resolution urging upon the Government "immediately to appoint an Indian Banking Enquiry Committee with special reference to the system of indigenous banking with a view to develop and foster the same". Discussions ensued at which the Hon'ble the Finance Member and representatives of both groups of Chambers of Commerce were present: and as the first result of these discussions the broad position which Government decided to take is that described in the following sentences, which are taken from a statement made by the Hon'ble the Finance Member in the Legislative Assembly.

The formation of a Central or Reserve Bank is desirable in order that India may be equipped with a mechanism for the control of currency and credit on the lines approved by modern experience. At the same time, the Government can only proceed subject to their being satisfied as to two conditions: first, that the organisation of the Bank is securely settled on sound lines, and secondly, that there is a measure of general support among the representatives of public opinion for the proposals. Full advantage should be taken of any interval which may occur before these conditions are fulfilled and the time is again ripe for reviving the proposals for a Reserve Bank by inaugurating an enquiry into the general banking organisation of the country which is intimately connected with the question of a Central Bank. For a Central Bank is essentially the crown of the whole structure of banking in its widest sense, and if it is to be well designed to meet the practical requirements of the country it must be adapted to the banking organisation of the country on which it should rest. Viewed from this angle, a banking enquiry will be of value in throwing light on the actual situation throughout the country and in instructing public opinion as to the main requirements.

5. In order to carry public opinion with them as far as possible in the details as well as in the general policy of the matter, the Government of India have taken steps to ascertain the views of leaders of political parties in the Central Legislature and have again conferred with representatives of the Federation of Indian Chambers and the Associated Chambers of Commerce. These further discussions have disclosed a fairly general consensus of opinion as to the broad lines on which the enquiry should proceed and as to its main objects.

As to the former it is generally agreed that the enquiry should be divided into two principal stages; the first covering the collection of evidence and the indication of the main directions in which the opening up of increased facilities is required; the second stage taking the form of a consideration by experts with world experience of the evidence and suggestions prepared by local Committees during the first stage. As to the main objects of the enquiry these would be to enquire into the existing conditions of banking in India and to make recommendations for the expansion of both indigenous and joint-stock banking, with special reference to the needs of agriculture, commerce and industry. It was accordingly decided to prepare a plan of action to be directed to this end, and to submit it in the first instance for the consideration of Local Governments whose co-operation will be essential.

These are the circumstances which have led to the present communication being addressed to you.

6. As regards the procedure of the enquiry, I am to say in the first instance that the Government of India feel that, if the investigation is to be adequate and is at the same time to be completed within a reasonably short space of time, it would be impracticable to entrust the whole of the work to a single Committee. The proposal which has so far met with approval is that there should be set up—

(*a*) a Central Committee, and

(*b*) a number of Provincial Committees to deal with the special requirements of different provinces, such Provincial Committees to consist of persons who have the knowledge of local conditions which will be all important.

To arrive at a clear definition of the scope and functions of the Central and Provincial Committees, respectively, it is necessary to analyse in some detail the subjects which it is intended that the enquiry as a whole should cover, and the analysis arrived at in the course of the preliminary discussions is as follows:—

(*i*) The regulation of banking, with the object of protecting depositors and thereby increasing confidence in the banking system.

(*ii*) Banking education, with the object of providing facilities for obtaining training in banking and generally of creating a body of people who have a real knowledge of the principles and practice of banking, and

(*iii*) The development and extension of banking on sound lines.

The last item is capable of further sub-division as follows:—

(*a*) Industrial banks and credit facilities for India's main industries like cotton, jute, coal, etc.;

(*b*) Financing of foreign trade;

(*c*) Agricultural credit (including co-operative credit) and credit facilities for small industries;

(*d*) Mortgage banks; and

(*e*) Financing of internal trade in connection with all the above headings.

7. It is suggested that heads (*i*), (*ii*) and (*iii*) (*b*) should be definitely excluded from the purview of the Provincial Committees already described, and that head (*iii*) (*a*) might also be treated from the beginning as primarily the concern of the Central Committee, although it is recognised that there are certain aspects or sub-divisions of the subject to which the Provincial Committees might make a useful contribution. The main matter for study by the Provincial Committees would, however, be head (*iii*) (*c*) (*d*) and (*e*). These are moreover from every point of view the most important of the whole field of the enquiry. Essentially, the purposes which it is desired to secure so far as the interests of the rural population are concerned, are that the cultivator should be enabled to secure the credit he needs both for the improvement of his land and its equipment and for the marketing of his produce; and that, on the other hand, means should be devised to stimulate the habit of investment and attract banking deposits. It is suggested that, bearing these purposes in mind, the Provincial Committees should conduct in a few selected areas an intensive survey of conditions, existing facilities and requirements, and a general survey of the province as a whole.

8. The Central Committee will be constituted by the Government of India. It is proposed that heads (*i*), (*ii*) and (*iii*) (*a*) and (*b*) should from the beginning be made the direct responsibility of the Central Committee. In respect of the two latter heads it might be convenient for the Central Committee to appoint sub-committees to visit important industrial centres and gain first-hand knowledge of the needs of large industries and departments of trade. In addition to this the Central Committee would act as adviser to the Government of India in laying down at the outset the main lines on which the Provincial Committees should conduct their enquiry and later in sifting the material contained in the various reports submitted by the Provincial Committees and its own sub-committees preparatory to the making of its own final report to the Government. At this point, the second stage of the enquiry will be reached when the Government of India contemplate that they should invoke the assistance of a small body of outside experts (say, three or four) selected by Government either from England or from other countries with well-developed systems of rural credit and industrial banking. These outside experts would act as advisers to the Central Committee. They would carry out joint discussions with the Committee with a view to assisting the latter in making its recommendations to the Government of India as to the best way of dealing with the state of affairs disclosed by the preliminary enquiries above referred to. The experts will further be entitled to submit a separate report of their own, if necessary, to the Central Committee which will include it in its own report submitted to the Government of India.

9. As regards the composition of the Committees, it is suggested that the Provincial Committees should contain the following personnel:—

(*i*) A senior officer of Government with consideraable district experience and knowledge of rural economy, who will be Chairman:

(*ii*) A co-operative expert to provide special experience on rural agricultural credit;

(*iii*) An Indian Economist:

(*iv*) A representative of commerce:

(*v*) A representative of the indigenous banking community;

(*vi*) A non-official with a close knowledge of the interests of the argicultural classes, who can represent their interests as the classes who require credit facilities; and

(*vii*) Possibly another non-official similarly to represent small urban interests.

The Committees should be appointed by the Government of India in consultation with the Local Government. It is emphasised that the above are intended to be no more than suggestions. The Government of India will be glad to consider any counter-suggestions which may be put forward by the Provincial Governments.

10. It is contemplated that the Central Committee which will act throughout in close contact with the Hon'ble the Finance Member, should include the following:—

(*a*) Two members nominated in consultation with the Federation of Indian Chambers.

(*b*) Two members nominated in consultation with the Associated Chambers of Commerce.

(*c*) An Indian Economist.

(*d*) A banker nominated in consultation with the Imperial Bank of India.

(*e*) A banker nominated in consultation with the Association of Co-operative Banks.

(*f*) A banker nominated in consultation with the Exchange Banks Association.

(*g*) A joint-stock banker, and

(*h*) An indigenous banker.

The question of the representation of the general interests of the public and particularly of agriculture from the side of those who require credit facilities still remains to be settled. It will also be observed that no provision has been made for the representation of the Indian legislature as such on the Central Committee. This is due to the technical nature of the enquiry. But, in view of the great interest shown by that body in the enquiry, the Hon'ble the Finance Member has agreed to keep in touch with the Central Committee at all stages of its activities and to keep the leaders of political parties apprised, by means of informal conversations, of the progress of the enquiry.

11. Subject to consideration of the views of the Local Governments, the Government of India propose that the first meeting of the Central Advisory Committee should be held in Simla about the middle of May when a memorandum laying down in some specific detail the heads of enquiry to be undertaken by the Provincial Committees will be placed before them for discussion. The memorandum as approved by the Central Advisory Committee would then be issued to the Provincial Governments to reach them by the end of May so that the Provincial Committees might have their preliminary meetings in June to settle the terms of their questionnaire and their detailed programme of work: and the actual enquiry might begin before August. The important point is that everything should be prepared so that a start might be made immediately after the close of the monsoon period. The Government of India estimate that the Provincial Committees would take about six months to complete their enquiry and submit their reports, while another four months thereafter would be required by the Central Advisory Committee to finish their portion of the task.

12. I am now to enquire whether the Local Government approve of the direction which it is proposed to give to the enquiry and whether they have any improvements to suggest in regard to this. I am also to ask that the views of the local Government as regards the procedure which it is proposed to adopt may be furnished as early as possible. If the local Government agree to the procedure contemplated, I am to request that the names of individuals who might suitably be chosen to serve on the Provincial and Central Committees may be furnished to this Department. Finally, I am to invite attention to the enclosed provisional memorandum laying down the broad lines of enquiry to be pursued by the Provincial Committees and to request that any observations which the Local Government may wish to make on this memorandum may also be communicated to the Government of India at an early date.

Enclosure

Memorandum of lines of enquiry by Provincial Committees.

1. The Provincial Committees should make intensive surveys of one or two selected districts in each province and a general survey of the conditions in the province or areas as a whole in regard to agricultural and small industries with special reference to the fabric of

finance. The details of the enquiries to be undertaken should be settled by the Provincial Committees themselves, but in order to facilitate tabulation of the results for all India, the following main heads under which the Committees should classify the information and material collected are laid down for their guidance. This should not be held to debar the Provincial Committees from investigating any special provincial features not covered by the heads below.

2. The main heads referred to above are:—

I.—Agricultural Credit

(See in this connection Chapters XII and XIII of Agricultural Commission's Report).

(a) Various items of permanent improvement to land. Credit facilities required and actually existing. Rates of interest and period of loans and other conditions. Part played by Imperial Bank, Joint-stock banks, co-operative banks and indigenous banks and bankers. Scope for land mortgage banks and for agricultural credit banks. Co-ordination of credit agencies. Review of system of Government loans and elimination of administrative defects.

(b) Credit facilities required for purchase of agrcultural implements and seed and other expenses of production. Facilities actually existing. Rates of interest and period of loans and other conditions. Effect of borrowing on disposal of produce. Part played by different classes of banks and bankers.

(c) Present methods of marketing principal crops. Credit facilities required for financing of products during marketing. Part played by different classes of banks and bankers. Facilities for remittance. Use of negotiable instruments and scope for promotion. Reduction of duty on bills.

(d) Volume of agricultural indebtedness in province and the causes contributing to such indebtedness. Existing credit facilities for discharging debt. Part played by different classes of banks and bankers.

(e) Agricultural enterprises and other small industries in province, like dairy farming, *gud* factories, cotton ginneries, sugar refineries, etc. Possibilities of developing cultivation or of helping

cultivator to get a better return by erection of such factories. Credit facilities required and actually existing.

II.—Special study of working of Co-operative Banks and Co-operative Marketing Societies.

(See Chapter XIII of Agricultural Commission's Report).

Extension of co-operation in direction of borrowing and lending on provincial scale instead of local units operating separately in water-tight compartments. Relations with Imperial Bank and joint-stock banks. Present difficulties of financing Co-operative Societies both short and long term capital. Alleged competition of Co-operative Banks with Joint Stock Banks.

III.—Special study of indigenous banking

Collection of available information regarding indigenous banks and bankers and their methods of doing business. Shroffs, large and small, who do not usually call themselves bankers, should be included in enquiry. Information should comprise capital, deposits, cash balance, terms of advances, establishment, clientele, relation to agriculture, industry and trade, facilities required, relation to joint-stock banks and Imperial Bank, attitude towards some sort of governmental supervision and publicity, methods to secure stability and inspire confidence.

IV.—Investment habit and attraction of capital

(1) Means or institutions in existence for encouraging investment habit. Postal cash certificates and postal savings banks. Classes of population who resort to such forms of investment and methods of attracting other classes. Alleged competition of Government with joint-stock banks. Existing facility for purchase and sale of Government securities. Hilton-Young Commission's proposal for introduction of gold cash certificates.

(2) Growth of cheque habit. Effect on same of abolition of stamp duty on cheques. Other methods of promotion like payment of Government servants and bank employees above, say, Rs. 100 by cheques.

(3) Branch banking and investment habit. Experience of Imperial Bank's new branches opened under agreement. Existing difficulties experienced by joint-stock banks in opening new branches.

No. 91|50, dated 13th August 1930, from the Secretary, Bombay Provincial Banking Enquiry Committee to Chamber.

You are, no doubt, aware that the Government of India have appointed a Central Banking Enquiry Committee and Provincial Banking Enquiry Committees. The Bombay Provincial Committee have commenced their work, and they have prepared a questionnaire to elicit public opinion on the questions referred to the Committee. I am desired by the Committee to forward to you herewith a copy of the questionnaire and to state that the Committee would be glad to receive any information that your Chamber can give in regard to the questions in which it is interested and would greatly appreciate an expression of its views thereon. I am to request that you will be so good as to send me its reply before the **14th September 1929.** It is requested that in giving answers to questions, it will please give reasons for the views expressed, as a mere negative or affirmative assertion will not much help the Committee.

The Committee would also be glad to record the oral evidence of one or more representatives of your Chamber for the elucidation of the points dealt with in, or arising from, your written statement, and I should be obliged if you would inform me whether it would be convenient for them to give evidence on **Wednesday the 25th September** between 11 a.m. and 2 p.m.

It is requested that, if possible, twelve copies of your Chamber's written statement may be sent to me for distribution amongst the members of the Committee.

BOMBAY PROVINCIAL BANKING ENQUIRY COMMITTEE.

QUESTIONNAIRE

(The following memorandum is published in order to assist witnesses in the preparation of their evidence. It is not to be regarded as exhaustive, nor is it desired that each witness should necessarily attempt to deal with all the questions raised).

I.—Agricultural credit and credit facilities for small industries.

1. Describe the present system by which the agriculturist in your district or province obtains finance—

(a) for expenses during cultivation.

(b) for capital and permanent improvements, and

(c) for other special needs, e.g., failure of monsoon, for land revenue, etc.

What are the rates of interest charged in your district or province in respect of advances, the period for which loans are taken, the nature of the security given and accepted (e.g., standing crops, etc.), and other conditions attaching to the grant of such loans?

Describe the part played in agricultural finance by Government, the Imperial Bank of India, the Joint Stock Banks, Co-operative Banks, the Indigenous Banks and Bankers, professional moneylenders, merchants and dealers, and other organisations giving credit (e.g., companies trading in fertilisers, etc.).

Can you give an estimate of the total amount of capital required for the various purposes stated above for your district or province?

Is any information available as to the extent of finance provided annually in kind?

State defects, if any, in the present system and the reasons for the existence of such defects. Do you suggest any remedies?

Is there co-ordination among the various credit agencies including Government, and is there scope for improvement in that direction?

2. Describe the present method of marketing principal crops in your district or province.

What in your opinion are the possibilities of forming pools and of co-operative effort generally in marketing produce?

Describe the credit facilities required for the financing of products during marketing and the facilities actually existing.

In regard to such facilities is there any special difference as between internal trade and foreign trade?

What is the part played by the different classes of banks and bankers and merchants and dealers during the process of marketing?

What are the existing facilities available to the public, including banks and bankers, for internal remittance?

State any defects in the existing system and any suggestions for improvement.

Describe the part played by negotiable instruments in the internal trade of the province.

Have you any suggestions to make for the more extensive use of bills (e.g., by reduction of duty on bills)?

What are the different classes of hundis current in your part of the country? What are the peculiarities of each? Please give sample wording.

Have you any suggestions for the amendment of the Negotiable Instruments Act by which the public and the bankers handling hundis might be better protected or benefited?

Are hundis emanating from your locality discounted in your local centre or are they sent to a provincial centre and discounted there, or are they held by middlemen, merchants or commission agents?

What different kinds of instruments of ownership of goods and produce (e.g., railway receipts) and documents are employed for raising money during the process of marketing?

Are any difficulties experienced in the use of these instruments and have you any suggestions to make with a view to removing those difficulties?

What in your opinion are the possibilities of operating licensed warehouses in India either on the lines of the system which exists in the United States of America or otherwise?

Do you think there is any need for Government assistance in the matter?

3. In your district what is the value per acre for different classes of land?

What are the factors affecting such value? In your reply, please distinguish between—

(a) value of land in Government auction for non-payment of revenue;

(b) value of land in the event of sale by court decree;

(c) value of land in purchase by private negotiation.

4. Is there any legal impediment to mortgage of land and agricultural holdings in your province? Are there any land mortgage

banks or agricultural banks in your province or any other banks for the provision of long term credit?

State what you know of their method of work and of raising capital.

If no such institution exists in the province, suggest the lines on which such institutions could be established and worked to the advantage of the landholders and tenants of your province.

Do you suggest any measures for—

(a) improvement in the record of rights and title of ownership so as to simplify reference, and to avoid possibilities of disputes and counterclaims by parties other than those who are the clients of the Bank,

(b) simplification of the process of foreclosure and sale by the Mortgage Bank in the event of non-payment,

(c) reduction of costs of reference to the record of rights and of registration of records and of the process at law so as to reduce the burden on the good constituents of the Bank in respect of charges incurred on account of defaulters?

Should the working capital of the proposed Mortgage Bank be derived largely from—

(a) deposits,

(b) funds from central institutions, or

(c) debenture bonds?

Should debenture bonds carry any Government guarantee either for principal or interest or for both?

If so, what measures would you suggest to secure Government against unnecessary loss?

On what terms should Agricultural Mortgage Banks raise monies under each of the above-mentioned heads, with or without Government guarantee, and on what terms should they lend out money so as to cover their expenses?

Please state any other suggestions for the adequate provision of long term credit against sound security.

5. In order to devise measures for the increase of credit facilities to the agricultural classes it is necessary to reach an estimate as accurate as possible of the existing indebtedness of these classes.

In what manner can such an estimate be obtained with reasonable accuracy?

In such an estimate please distinguish between—

(a) the amount of debt with land as security which is in your province, or for the whole province?

Do you know of any such estimate for a village or a district in the form of a registered mortgage,

(b) the amount of debt which is concealed in the form of a judicial sale to circumvent the provisions of Acts such as the Dekkhan Agriculturists' Relief Act,

(c) the amount of debt which is incurred against any other assets, such as the village house, ornaments, ploughs and other agricultural implements, crops and produce, or debt which is given on the general security of all the assets without a specific pledge,

(d) the amount of debt on personal credit secured by demand promissory notes or otherwise.

Please state wherever possible the purposes for which the debt was incurred, such as—

(a) the repayment of earlier debts,

(b) marriage and other social occasions,

(c) famine and other kinds of distress,

(d) payment of land revenue,

(e) growth of the debt by compound interest, interest not having been paid,

(f) seeds and manure,

(g) improved agricultural implements,

(h) sinking of wells and agricultural improvements,

(i) purchase of land or bringing into cultivation fallow lands,

(j) construction or acquisition of houses.

Please indicate also to whom this debt is largely due and whether the creditors are Government, Banks, Co-operative Societies, or indigenous bankers and professional money-lenders.

State what you know of the rates of interest charged, the methods used for calculating it and for enforcing the payment of the debt.

Do you think a large number of people, who are efficient farmers, are being turned into tenants for a period, or tenants-at-will, through the process of the enforcement of the old debts and landed property passing on into the hands of the creditors? Distinguish between conditions in irrigated tracts, the famine zone and areas not generally liable to famine.

If this process is going on, does it take away from the actual cultivator the incentive to produce more and in an efficient and better manner?

6. Give some idea of the number of small subsidiary industries allied or supplemental to agriculture existing in your province, such as rice milling, dairy farming, gud making, garden produce, cotton ginneries, sugar refineries, hand spinning, etc.

Can you suggest methods by which any such industries could be encouraged and by which the producer might be enabled to get a better return for his produce?

Can you suggest any enterprises which may give employment to the farmer during seasons when he cannot make full use of his time on his farm and thus enable him to supplement his income and to raise his standard of living?

What would be the best method of securing working capital and proper marketing facilities for such enterprises?

What financial machinery do you suggest for this purpose?

6-a. Are there any small industries not necessarily allied or subsidiary to agriculture, e.g., weaving, existing in your district or province? If so, have you any suggestions to make regarding them, on the lines mentioned in question 6 above?

7. State what you know of the relations that exist between the Co-operative Banks and the other banks in the country, namely,

the Imperial Bank of India, Joint Stock Banks and the Indigenous Banks.

Describe any existing difficulties in the matter of finance in the case of Co-operative societies both in regard to short and long term capital.

Can you give an estimate of the amount of extra capital required for financing Co-operative movement in your district or province?

Is there any competition in your district or province between the Co-operative Banks and Joint Stock Banks?

If so to what extent and in what direction?

Have you any views regarding the possibility and desirability of granting financial concessions in order to stimulate the growth of the Co-operative movement (e.g., by extension of special exemption from income-tax to genuine Co-operative Societies, inclusion of debentures issued by Provincial Co-operative Banks in the list of trustee securities, etc.)?

To what extent has the co-operative movement succeeded in meeting the financial needs of the agriculturist, the small trader and industrialist in your district or province? How far, in your opinion, is the movement capable of meeting the financial needs of these classes?

8. How far, in your opinion, is the provision of credit facilities affected by existing legislation and legal procedure? Have you any suggestions to make regarding improvements in this respect? In particular, what do you think of the effect of the working of the Dekkhan Agriculturists' Relief Act on the facilities for obtaining credit? Do you think this Act requires modification, and if so, in what directions?

9. Can you state why the Usurious Loans Act is not being availed of in this province? What measures would you suggest for greater use being made thereof?

Would you suggest the enactment of legislation such as the English Money Lenders' Act or the proposed Money Lenders' Bill for the Punjab?

II.—Indigenous Banking.

NOTE.—By indigenous banking is meant all banks and bankers other than the Imperial Bank of India, the Exchange Banks, Joint

Stock Banks and Co-operative Banks. It includes any individual or private firm receiving deposits, dealing in hundis or lending money).

1. State what you know of the functions of the indigenous bank or banker in your district or province enumerating all kinds of business the bank or banker transacts.

2. How and to what extent does an indigenous bank or banker in your district or province assist in financing agriculture, trade and industry?

3. State what you know of the organisation of the indigenous banking system in your district or province with regard to—

(a) the amount of capital invested,
(b) the volume of their business,
(c) their expenses, and
(d) the relations between one indigenous bank and another and between indigenous banks, and other banks in the country, viz., the Imperial Bank of India, the Joint Stock Banks and the Co-operative Banks.
(e) the adequacy of the facilities afforded by the Imperial Bank to indigenous bankers.

4. State what you know of the various forms of hundis and other credit instruments used by the indigenous banks and bankers and the extent of their use. Give sample copies of any of the hundis, promissory notes, deposits receipts, etc., used in your locality.

5. State what you know of the indigenous bankers' methods of granting loans and allowing cash credits and the terms and nature of these loans and cash credits.

What are the means by which the indigenous banks and bankers provide themselves with funds to meet their demands?

What are the rates of interest allowed on various kinds of deposits received by them?

6. Is it the general practice with indigenous bankers to insist on advances being drawn in the shape of commodities purchased through them or repaid in goods sold through their agency?

What are the rates of interest either in money or in kind which the agricultural community has to pay at present to the indigenous banker?

In what manner do you suggest these rates could be brought down by better organisation?

Would the reduction of such rates confer great benefit on the agricultural community and increase its resources thereby leading either to an improvement in the standard of living or enabling them to spend more on agricultural improvements, better agricultural implements, etc.?

After making allowance for the legal expenses, management charges, losses through default and losses through foreclosure, can you give an idea of the net return to the indigenous banks and bankers on their capital?

7. Is there a prejudice in your locality against the indigenous bankers?

Are these bankers sufficiently protected in law?

Is there any legal or other facility which can be extended to them?

Are the dealings of this class of bankers with their clientele conducted on sound lines?

If not, indicate the existing defects, making suggestions for remedying them.

8. Would you suggest any means of making this class of bankers more serviceable to the community?

Could you suggest any means by which the indigenous banking system in India could be improved and consolidated?

Do you recommend any special facilities to be given to this class for this purpose?

What is the general system of accounts keeping and to what extent are accounts open to inspection or verification by customers?

What do you think would be the attitude of the indigenous banking community towards the introduction of any measures for regulating their operations and for giving publicity to the same?

9. Please state whether the indigenous banks and bankers are able to meet all demands for accommodation or whether they are obliged to refuse any either on account of the unacceptable nature of the security offered or owing to insufficiency of their working capital?

10. How in your opinion should the indigenous banking system be linked with the central money market and provincial capitals?

Would you suggest the establishment of a branch of a Joint Stock Bank, or a branch of a Central Reserve Bank, or a local bank with local directorate, or an urban co-operative bank, in each district with which the indigenous banking system may be connected?

In what manner could such a bank inspire the confidence of the indigenous bankers and be able to utilise the local knowledge and experience of the latter?

How is the competition of such a bank with the indigenous bankers to be avoided?

11. Do you think there is a large amount of money in the districts in the hands of indigenous bankers which does not find employment throughout the year?

Do you think that owing to this cause any large amount of money is flowing to the provincial capital either for long or for short periods?

Do you think any kind of improvement in the organisation of lending or borrowing can be made by which these funds instead of flowing to the provincial capitals would find remunerative employment in the districts and thereby benefit the districts?

III.—Investment habit and attraction of capital

1. What are the existing banking resources in the province?

Can you state the amount of additional capital, if any, required?

What are the means or institutions in existence for encouraging savings and investment habit?

What has been the influence of co-operative societies and banks, insurance companies and provident societies in this respect?

Are the public provided with full facilities for the investment of their savings?

Can the existing facilities be improved in any way or extended in the smaller interior places?

Can you suggest ways in which persons unwilling to earn interest on deposits can be induced to render their savings available for the economic development of the country?

Can you give any useful information in regard to the habits of the people of India to invest in silver and gold and land?

2. Are Postal Cash Certificates popular in your district or province and can any steps be taken to increase their popularity?

Do present interest rates of Cash Certificates require revision and do existing terms of issue in any way need change?

Do Savings Banks afford all possible facilities to the Public?

What classes of population resort to such forms of investment?

Can anything be done to attract other classes?

Have you anything to say regarding the alleged competition of Government with Banking institutions and bankers in regard to deposits by their attractive rates on Postal Cash Certificates and Treasury Bills?

3. State the existing facilities for purchase and sale of Government securities afforded by Government, the Imperial Bank of India and other Banks. Are you in favour of granting any special facilities to the small agriculturists and the small investors of the country to take up some form of Government security? If so, state what special facilities you recommend?

State the existing facilities for purchase and sale of securities other than Government securities, afforded by the various financial agencies.

Can you indicate clearly the habits of various groups of people in your district or province with reference to monies which come into their hands by sale of produce or through any other cause? Where do they keep this money and for what purposes and in what manner do they use it?

Do the farmers lend to fellow agriculturists and on what terms? How do they invest surplus money, in a prosperous year? Give any information you can regarding the amount, growth and distribution of capital among the indigenous population.

4. State what you know about the growth of cheque-habit.

What has been the effect of the abolition of stamp duty on cheques?

What classes of population use cheques? Have you any suggestions to make for further promoting the cheque habit (e.g., payment of Government servants and Bank employees by cheques)?

Have you any suggestions to make regarding the use of vernacular scripts in banking?

5. Do you support the view that the banking and investment habit in India is of very slow growth?

If so, to what causes do you attribute it?

Have you any suggestions to make regarding the various possible means of educating the people of the country to invest their savings in productive undertakings (e.g., propaganda by Government in regard to Government loans for capital expenditure, etc.)?

As far as you know, what has been the result of the opening of new branches in recent years by the Imperial Bank of India?

Have you any knowledge of investment Trusts? Do you advise the formation of such bodies in this province or your district?

Supplementary Questions

1. Describe the part played by the different classes of Banks and Bankers and Importing and Exporting firms in the Financing of Foreign Trade of India during the following stages:—

(a) Export Trade—

(i) From the village to the Mandi.

(ii) From the Mandi to the Exporting Ports.

(b) Import Trade—

(i) From the importing ports to the distributing centres, in India, such as Amritsar, Delhi, Cawnpore, etc.

(ii) From the distributing centres to the consumer.

2. What are the terms on which the Financing of Trade during the above stages is done? Are any difficulties experienced in connection with the above financing and have you any suggestions to make for removing those difficulties and for improving in any way the existing financial facilities available for the movement of imported and exportable articles?

3. It has been suggested that the grower of produce in India does not get the full value for his produce on account of the speculative buying and selling activities of firms and companies who deal in the export trade and by the control of prices by these and other bodies. What are your views on this suggestion? Please supplement your views by any facts and figures within your knowledge. Have you any observations to make with a view to ensure a better return to the growers of produce in India?

No. 2119, dated 14th September 1929, from Chamber to the Bombay Provincial Banking Enquiry Committee.

I am directed by my Committee to send to you herewith their reply to the questionnaire of the Bombay Provincial Banking Enquiry Committee. As desired in your letter of the 13th August, 12 copies of the statement are sent.

Memorandum of written evidence submitted by the Committee of the Indian Merchants' Chamber to the Bombay Provincial Banking Enquiry Committee.

My Committee have not attempted to reply to all the questions but have tried only to bring out four important points which, they think, are vital to the banking interests of the country.

Their first point is that the quickest and the most economic method of developing banking in the country is to associate the existing indigenous bankers more directly with the Imperial Bank or the State-aided Bank as the case may be.

The second point they wish to bring out is with regard to Gold Standard and Currency, which, in their opinion, it is now possible and feasible to introduce in the country.

The third point is as regards the saving habit of the people developing into insurance business, which, they submit, should be fur-

ther developed by placing restrictions on the operations of non-Indian insurance companies.

The fourth point in this representation of my Committee is as regards the operations of the Exchange Banks, all of which are non-Indian resulting in most of the export trade of the country being in the hands of non-Indian agencies. This, my Committee consider should be avoided. as it is detrimental to the interests of the agriculturists and they therefore suggest that restrictions on further expansion of non-Indian banks in the country should be imposed.

I.—Agricultural Credit and Credit facilities to small industries.

Ques. 2. Licensed Warehouses: My Committee are in favour of Licensed Warehouses being opened and operated on different railway lines. Arrangements may be made of giving Railway Receipts for all the commodities which the agriculturists or merchants may bring to these Licensed Warehouses and these Railway Receipts may be given a negotiable character in the case of aproved parties. My Committee are informed that such a system is at present working with success on the Calcutta-Darjeeling Railway. where there are Licensed Warehouses for tea chests.

Ques. 8: My Committee are of opinion that the Deccan Agriculturists Relief Act has affected adversely the interests of Shroffs and commission agents. People from the Deccan send indents to local Shroffs and commission agents for their requirements and the latter send them all these goods in the usual business way. All this time people who send such indents are taken as traders, pure and simple, and there is no suspicion that they would later deny being considered as traders and would claim to be agriculturists. The Shroffs or commission agents when they ask for their payment receive the reply that those constituents of theirs were but agriculturists and that suits against them lay not in Bombay but in the mofussil Courts where they were residing. This entails the necessity of going to the mofussil and fighting out the legal cases there and thus leads to an amount of inconvenience, annoyance and expense. This is one of the ways in which the Deccan Agriculturists Relief Act is being misused. Even when there is a dispute between some parties in the mofussil some of the parties take shelter under the clauses of the Deccan Agriculturists

Relief Act in order to deny their liability. It is very essential that the Deccan Agriculturists Relief Act should be so amended and revised as to preclude the possibility of such harrassing and dishonest tactics.

II.—Indigenous Banking.

Ques. 1: The functions of the indigenous bank or banker (who is known as Shroff) may be described as follows:

(a) Taking deposits and giving loans; and

(b) Arranging remittances.

The difference between the business of Shroffs and Joint Stock Banks is in volume and form. Only a negligible number of Shroffs use cheques. The Shroffs, in addition to doing banking business, are generally engaged, either on their own account or as commission agents, in the purchase and sale of various articles such as cotton, grain, rice, seeds, gold and silver, etc.

Ques. 2: Bombay Shroffs, although they do not directly finance agriculture, finance Shroffs in the mofussil, thus providing greater financial facilities to agriculture than Joint Stock Banks.

Shroffs are not financing foreign trade in Bombay but are financing internal trade in foreign goods more than Joint Stock Banks. A Shroff generally pays, on account of his mofussil constituent, to the seller or purchaser, as the case may be, in Bombay the whole of the price of goods purchased or sold through him. Such Shroffs are generally Commission Agents. Those Shroffs, who are not commission agents, also assist in financing internal trade by purchasing hundis which they re-discount with the banks according to their financial needs for the time being. They are concerned with industries also to a considerable extent, though not in capital cities. Thus, for instance, they are helping in financing the sugar industry, oil mills, flour mills, rice mills, silk and cotton handloom manufacture. They are also financing the mill industry of mofussil town like Ahmedabad.

Ques. 3 (d): They borrow money cheaply from one another, as also at times from Banks for their financial operations. They have daily transactions with each other, these being in the nature of current account, call money and fixed deposit account. Whenever any

Shroff requires money, it is forthcoming at once if he calls for it from his fellow-Shroff, even sometimes by a message on the telephone. Such a facility they do not get from Banks. Exchange Banks do seldom hundi business with the Shroffs. They do not help either internal trade or Shroffs. Whenever the Imperial Bank advances loans to the Shroffs it does so on demand pro-note drawn by two approved Shroffs or by one approved Shroff and one merchant, jointly and severally, or discounts hundis with them whenever these are drawn by merchants on approved list and endorsed by approved Shroffs. This is again done for a fixed period which is generally two months. Joint Stock Banks do hundi business on the same lines as the Imperial Bank. It may be mentioned that the Union Bank of India, Ltd., have recently started discounting hundis with only one signature drawn by approved parties. Co-operative Banks do not, as a rule, discount hundis.

Imperial Bank branches should not be opened unless they help local Shroffs and merchants. Branches that are opened have generally resulted in money being drawn out from there. Exporters, most of whom are non-Indians are given a great facility by the Imperial Bank. In order that local trade and agriculture may also be financed, it should be provided that money collected at branches should as far as possible be invested in the locality concerned. My Committee are obliged to make this suggestion as their experience is that the opening of branches by the Imperial Bank in a particular centre leads as an inevitable result to the shortage of funds available for the Shroffs. The following are the various forms of Hundis:

(1) Darshani Hundis (Shah Jog, and Dekhadnar Jog); and

(2) Muddati Hundis, which means Hundis drawn for periods extending to two months or more.

Ques. 5: The following are the different methods adopted by Shroffs for granting loans and allowing cash credits:—

(a) Current accounts which are known as Khate Pete-Clean Overdraft. It is a sort of a day to day account. The interest generally allowed was 6 per cent. in Samvat 1976. It went up afterwards to 7 1|2 per cent. in 1983, after it fell to 7 3|4 annas, i.e.

5.8 per cent. Since one month it is 9 annas, i.e. 6.75 per cent. Then in some places it is 10 annas,, i.e. 7.5 per cent., for the busy six months, and 6 annas, i.e. 4.5 per cent. for the slack six months, while others charge 4 1|2 per cent. for the slack season and 6 per cent. for the busy season. It may be mentioned that with regard to a large number of Shroffs nowadays the percentage is more or less dependent on the bank rate. The periods for which such credits are given is very short, ranging from 2 to 3 weeks.

(b) Call Money. The transactions under this head take place by mutual settlement. The business, however, is very small.

(c) With regard to fixed deposits, the fluctuations in the interest are more or less according to the bank rate, but on an average the percentage of interest is generally higher than the bank rate in the City of Bombay, while it is lower in the mofussil.

Ques. 7: There is no prejudice against the Shroffs. Rather they are popular with the Indian business community, because of their banking hours, their close relationship to business, their knowledge of conditions and their association between themselves, and having their offices in the business locality, as also their economic method of operation.

Regarding the question of legal facilities, it may be suggested that if the Shroffs in a suit can satisfactorily establish that at the time of making payment they had the money, they should not be called to prove otherwise. The Deccan Agriculturists Relief Act presses very hardly upon the Shroffs, and it is necessary that the Act should be repealed or its provisions should be modified.

Ques. 8, 9 and 10: Indigenous banks, i.e., Shroffs can become more useful to the community provided they are given additional finance. The principal source of getting money is at present the Imperial Bank, the methods of which, as mentioned above, do not conduce to giving greater facilities to the Shroffs. The management of the Imperial Bank, again, is largely, if not wholly, in non-Indian hands, and no particular care is taken to see that these Shroffs get facilities due to them for the purpose of being helpful to Indian trade, whenever such help is required. The Imperial Bank, in fact, instead of being helpful to the Shroffs, goes adverse to their interests, specially

because of one factor. The Bank gets colossal funds from Government free of interest and these funds are not utilised so much to help indigenous banks as to compete with them. Naturally Shroffs cannot compete with a big bank which gets such vast funds free of interest from Government. There is very little freedom given to managers of branches to advance money even to suitable parties and they have often to rely upon the Head Office for instructions in a large number of cases. On account of all these factors, the policy of opening 100 branches of the Imperial Bank has not proved successful as it was expected to be.

My Committee beg to suggest that to obviate the disadvantages of this system, a group of Shroffs, wherever such co-operation and co-ordination is possible, should be appointed as agents of the Imperial Bank, and where such co-operation is not possible a single Shroff should be recognised as agent. The Agents may be required to give a guarantee of a particular amount regarding the business they do for the Bank. Many of the branches of the Imperial Bank have, according to the information of my Committee, not been able to show good results, but such guaranteeing Shroffs will be able to show good results and thus to prove of great help to trade. They will be like guarantee brokers, and the Bank need not be afraid regarding any loss by working through them. The appointment of these Shroffs may be made after careful enquiries. As a start, my Committee would suggest the appointment of such Shroffs in all principal trade and agricultural centres, where the Imperial Bank has got no branches. If this scheme proves successful, the system may be extended to some of the towns which have got branches of the Bank at present. My Committee would like to be enlightened as to the branches which are bringing profit to the Bank, as the public impression is that on account of high percentage of overhead charges, and the restrictions on business referred to above, these branches do not bring profit to the Imperial Bank. If the system is adopted the Imperial Bank should not open any more branches thereafter, but must work through the agency system as proposed. The great advantage of the system will be that the Shroff, being a local man, knows local conditions better and will therefore prove more helpful in developing local trade. His overhead expenditure will be less. Current accounts will also be opened

by the Agent and my Committee are sure that the public will open these accounts with the Shroffs, realising that they are working for the Imperial Bank of India. These agents should do the work of collection of Hundis also, but they should be strictly prohibited from doing any business with the Bank's money. These accounts may bear some interest. The Shroff, acting as agent of the Imperial Bank, should not be allowed to trade with the Bank's money nor to keep his own goods in godowns of the Bank. Godown keepers may be engaged by Shroffs or the Bank and placed in charge of the godown. The Shroffs' appointment as agents should be for a period of 3 to 5 years, but their services, it should be possible, to dispense with at a moment's notice, if they are found to have betrayed their trust.

My Committee have in this connection considered the question as to whether Co-operative Banks can take the place of Shroffs for the purpose of financing both trade and agriculture in the mofussil. My Committee have come to the conclusion that Co-operative Banks will not be able to take up the burden as regards the financing agriculture and trade to the fullest extent. There are certain disadvantages connected with the Co-operative Banks of which my Committee cannot lose sight of. The co-operative system has not come up to expectations, particularly as regards urban banking, mainly because of its wooden nature, red-tapism, formalism, and the co-operative rates being generally the same if not higher than the rate of the village Shroffs.

My Committee are of opinion that the Chairman and the majority of Directors of the Imperial Bank must be Indians and such as would inspire confidence in the Indian mercantile community. The Management of the Bank should be Indianised much faster than what is being done.

Ques. 11. In the slack season there is a superfluity of funds in the districts which are sent out to Bombay and other places.

III.—Investment habit and attraction of Capital.

Ques. 1: My Committee would like to emphasise the great necessity of placing India on the basis of a Gold Standard and a Gold Currency. It is because the currency policy of the Government of India has been short-sighted and not in accordance with the real needs

that the country has remained without a proper Gold Standard and Gold Currency which are its due and which have been asked for practically unanimously. There is a somewhat vague and wild talk about hoardings of gold and silver. During the last thirty years, i..e 1899-1900 to 1928-29, there has been an import of gold worth about Rs. 530 crores. A part of this must have gone for ornaments of women, a real necessity in a country which has not got satisfactory banking facilities. People have been kept illiterate and ignorant and the percentage of literacy is the lowest for this country of all the civilised countries. The development of industries has also been largely retarded and Government have shown no particular desire to hasten the industrialisation of the country. No wonder that with all these forces working in the line, the hoarding habit is to be found, though, whatever has been done is, because of the poverty of the people, not of a very large character. The average imports per annum of Rs. 38 crores gold and silver comes to only about a rupee and a few annas per head of the population which cannot be considered to be much. My Committee feel sure that with the establishment of a Gold Standard and a Gold Currency, development of industries and the spread of education, the banking habit will be fostered and as a consequence there will be found in the country funds for banks.

The insurance habit is also still lacking in the people. The development of insurance has not taken place to the extent it was expected to as is found in other countries, because of the foreign insurance companies which have naturally looked to their own gains and not to the gains of the country, and because vast amounts of net premiums are being taken abroad which otherwise would have been invested in the country and available for investment in Indian securities. It is necessary, therefore, to put restrictions on all non-Indian insurance companies doing business in this country for this and various other reasons. Forming what is known as the insurance habit is itself not an easy thing. It is a result of education, culture and so many other influences which are not to be found in a country kept barren of education. If a healthy insurance habit is developed, my Committee have no doubt that this will go a long way towads helping banking.

As to the question whether the public are provided with full facilities for the investment of their savings in small interior places, my

Committee would like to bring to the notice of the Banking Enquiry Committee that as there are no big industries in the country, there are no small industries in the villages which can take up the savings of the people. There are no cottage industries worth the name and the people are driven to bury their hard-earned savings under the family hearth or to invest them in silver or gold trinkets which at least would be found handy on a rainy day. This is due to want of confidence that gold will be available whenever required on production of necessary receipts or sale of their investments such as Government securities, etc.

Ques. 2: My Committee are strongly opposed to the prevalence of the Postal Cash Certificates which are taking away about Rs. 15 to 20 crores from the Shroffs and consequently from trade, industries and agriculture. The interest that they bear roughly works out to about 5.8 per cent. and they therefore naturally come into competition with Shroffs. My Committee would therefore like to suggest that the system of issuing postal certificates should be stopped. Savings Banks may be allowed to go on as they are, as the rate of interest is not large and they are found to fill a place in the economy of the poorer and middleclass people, the salaried class specially, which resort to this form of investment and there is no necessity, so far as my Committee can see, of doing anything special to attract other classes to this form of investment.

Ques. 3: My Committee do not think that there is any special necessity for extending any facility to small agriculturists and small investors of the country to take up some form of Government security. What they suggest is that the position of Shroffs must be improved and strengthened considerably by taking steps like stopping the issue of Postal Certificates and others mentioned above. Shroffs who are from times immemorial the national watchdogs and custodians of monetary interests will gladly co-operate with Government by subscribing to their loans. They may act as a feeder in fact for Government loans and other industrial enterprises if they are started. In this connection my Committee beg to draw the attention of the Bombay Provincial Banking Enquiry Committee to the Note prepared by Mr. Simcox, wherein he has emphasised the importance and value of work done by local Shroffs. There are 4,600 bank branches in Canada

with a population of about 89 lacs of people, averaging one for every 2,000 inhabitants. Even if India is satisfied with one for one lakh of people, she requires 3,000 branches to begin with, and this can only be done by the method suggested by us.

Ques. 4: The cheque habit has grown considerably and has been helped by the abolition of the duty on cheques. The classes mainly who use the cheques are businessmen and higher salaried people. With regard to the questions, as to suggestions, if any, for further promoting the cheque habit, my Committee would suggest that clerks, who have bank accounts should be paid their salaries by cheques, as also those employees whose salary is more than Rs. 100. The use of vernaculars of the districts should be encouraged for signatures on cheques as well as for the form of cheques.

Ques. 5: It is wrong to suppose that Indians had not any banking habit. Rather India is a country in which the banking habit is found since a long time past. The existence of Shroffs as a powerful community and the history of the services they have rendered to the country in the financing of trade, industries and agriculture go to show that the banking habit among the people is not exotic at all, but is to be found there from ancient times. Coming to more recent times, it is found that the habit suffered a severe check because of the several factors which have already been recounted in the reply of my Committee to question No. 1 above, but which may be repeated here as (a) bad and unsuitable currency policy, of Government, (b) absence of Gold Standard and Gold Currency, (c) absence of education and literacy, (d) absence of industrial development, (e) absence of banking facilities, etc.

The result of opening many branches by the Imperial Bank of India has also been referred to previously. In the opinion of my Committee the result has not been as was expected, favourable to banking. The object appears to have been to utilise each branch more or less for tapping the districts for funds and taking these funds away to the Headquarters, and not for utilising the funds in the districts themselves for developing local trade, industries and agriculture.

Investment Trusts are to be found in Europe and the United States of America, but are in high favour especially in the latter

country. My Committee would advise rather waiting for sometime more before such bodies are formed in this country.

My Committee would like to point out one difficulty which is being experienced by Shroffs in the City of Bombay and which comes greatly in the way of indigenous banks. This is the fishing enquiries of the Income-tax department, against which my Committee have had occasion to protest more than once. While the books of Shroffs are being examined the department officials take down names and addresses of people who have got their deposits with the Shroffs. They even go so far as to insist on further details of the transactions with the result that business secrets are exposed, the financial standing of the parties injured, and the depositors naturally withdraw the deposists which in due course find their way to Exchange Banks and other Banks, where no Income-tax assistant dares to take similar liberties with the books of the Bank. My Committee strongly feel that such enquiries should be stopped.

Foreign Banks

My Committee beg to bring to the notice of the Provincial Banking Enquiry Committee the position occupied by foreign banks at present in this country. They think that the Provincial Banking Committee are fundamentally concerned with it, as the question is whether the foreign banks are helpful in financing agriculture or affording help to indigenous bankers. With regard to both these questions, it must be said that foreign banks are practically doing nothing. They consider their main function to consist in financing import and export trade and that too such part of it as passes through non-Indian hands. While my Committee are not averse to foreign capital as such in this country, they are firmly of opinion that such foreign capital whether working through banks or industries should come to India through Indian banks or channels; otherwise should be placed under some control. With regard to banks, my Committee therefore suggest that any foreign bank which wants to operate in this country should be registered here in Rupee capital, with a majority of Indian directors and a majority of Indian shareholders—a principle which has been accepted,—if my Committee may say so, by Government themselves. This will not pre-

clude any foreign bankers from having a bank here, but it will safeguard the rights and interests of India. When foreign banks are working without any restriction in the land, it is not known naturally as to what their investments may be in foreign lands and whether any particular commitments they may have entered into in foreign parts may not have affected their position adversely. The absence of any big catastrophe regarding foreign banks recently is no guarantee regarding the future. My Committee think that if Government insist upon a safeguard like the one suggested here, viz: registration in India, it will keep the business informed as to the work and development of foreign banks. My Committee hope that the Bombay Provincial Banking Enquiry Committee will lay emphasis upon this suggestion, specially as the interests of agriculture are affected. One very unfortunate result of this unrestricted exploitation by non-Indian (Exchange) Banks has been that almost the whole of our export trade in many instances from the interior has gone into foreign hands. This means the country's agriculturist has to depend on foreign agencies for marketing his product even in his own country. As regards imports, bulk of the imports are through non-Indian agencies, again an undesirable thing. Canada has various restrictions on Banks in Canada we understand there are no non-Canadian Banks in Canada, the entire banking business being done by Canadians.

No. 18|B & P|254, dated 4th November 1929, from the Bombay Provincial Banking Enquiry Committee to Chamber.

I have the honour to state that during the course of their oral evidence, the representatives of your Chamber were good enough to promise to send the following notes:—

(1) Qualifications of membership, number of members, etc.

(2) A note on Postal Cash Certificates and how they bring Government into competition with indigenous bankers and Joint Stock Banks.

(3) Detailed scheme for entrusting to Shroffs, the agency business for the Imperial Bank of India.

I am to request that you will be so good as to obtain and send these notes to me at your earliest convenience.

No. 2828, dated 17th December 1929, from Chamber to the Bombay Provincial Banking Enquiry Committee.

As desired in your letter No. 18|B & P|254, of the 4th ultimo, I am sending to you herewith Notes prepared by Mr. Hooseinbhoy A. Lalji and Mr. Walchand Hirachand on

(1) Postal Cash Certificates, and

(2) Appointment of Shroffs as Agents of the Imperial Bank.

I am also sending a copy of the Rules of the Chamber and would refer to Rule 5 thereof defining eligibility for membership of the Chamber. There are on the Roll now 474 members.

NOTES PREPARED BY MR. HOOSEINBHOY A LALJI AND MR. WALCHAND HIRACHAND.

(1). Appointment of Shroffs as Agents of the Imperial Bank

In connection with the scheme of entrusting Shroffs with the Agency work of the Imperial Bank our Committee may be allowed to go into some details at this stage regarding the same. If banking is to be developed particularly in what is called mofussil or interior parts of the country, the most economical way to do it is to entrust the local Shroffs in every district or other joint stock banks with the Agency work of the Imperial Bank. The experiment has been tried of entrusting the Imperial Bank with the work of extending its branches in different trading and agricultural localities and about 100 branches have been opened according to the programme then laid down. This experiment, however, according to our Committee, has not succeeded in the object for which it was intended nor can sufficient branches on the present model be started in a vast country like India to meet the needs of the situation. If it has taken the Imperial Bank more than 5 years to open 100 branches, it may well be conceived how long a time it will take to provide all the towns of commercial, industrial and agricultural importance with such branches. If Canada has got one branch for every 2,000 inhabitants and we are satisfied with one branch for

one lakh of inhabitants we require 3,000 branches to start with. The problem in fact appears almost to be incapable of solution if reliance has to be entirely placed on the instrumentality of the Imperial Bank. Our Committee therefore are of opinion that whenever there is any necessity felt for opening a branch the Imperial Bank should get into touch with local Shroffs and ask them to submit terms on which they will agree to act as the Bank's Agent in that particular place. These terms will naturally vary according to various local circumstances. It may be possiible for Shroffs in a particular locality to give guarantee deposits in return for which the Bank should agree to discount Hundis of other merchants or Shroffs approved as regards limits by both the selected Shroffs and the Bank, all such Hundis being countersigned by these guarantee Shroffs. These guarantee Shroffs who act as Agents should also be required to advance money provided by the Bank within certain limits against goods stored in godowns rented by or belonging to them. If after experience of the working of these Shroffs for some time, the Imperial Bank is satisfied with their working, the limit of advancing money against goods and discounting Hundis can be extended. Other activities of the Imperial Bank may also be delegated to these Shroffs according as is required by the exigencies of the situation.

The system would be analogous to some extent to what prevailed in Bombay when importing houses appointed their guarantee brokers. Some of the textile mills both in Bombay and outside have their brokers who guarantee their contract for sales of their products as also their deliveries. The main difficulty in the way of the Imperial Bank opening more branches and even existing branches becoming useful is absence of intimate knowledge of local conditions and traditions of the particular town or city where such a branch may be situated. This difficulty, our Committee believe, is met satisfactorily under the scheme detailed above.

The Imperial Bank should make it quite clear to the Shroff who is appointed Agent, that his accounts should be available for inspection by the Inspecting staff of the Bank and that he undertook not to speculate directly or indirectly. The margin for discounting of Hundis for first class risks will have to be a fixed percentage. If the Imperial Bank can get two or three local Shroffs to co-operate and form such an Agency, it would naturally prefer such a combination.

(2). Postal Cash Certificates.

The suggestion to then Finance Member of the Government of India to issue Postal Cash Certificates was made by the Committee of this Chamber at a time when the Bank debacle in the country had produced a panic in the business community as well as the general public, and there was a reaction against investment in joint stock banks. The War had just broken out and it was not still found possible to draw out big amounts from the public in the form of loans as was afterwards found feasible. It was from a consideration of all these factors and with a view to induce the middle and poor classes to cultivate the habit of investment that the suggetion was made. The Committee at that time could not naturally have any idea as to the future growth of this particular form of investment. The investment now amounts to Rs. 30 crores. It can easily be conceived how far such a big amount or even a portion of it in the hands of joint stock banks or Shroffs would go towards helping industries and trade.

APPENDIX XXVIII.

REVISION OF THE LIST OF COTTON PIECEGOODS.

No. 9142—C. I. C. dated the October 1929, from the Director General of Commercial Intelligence and Statistics to Chamber.

I write to invite a reference to the Resolution of the Government of India in the Finance Department (Central Revenues) R.

Dis. No. 384—Cus.—1|1928 dated the 5th December 1928 (copy attached), and to enquire whether you have any modifications to suggest in the list of cotton piecegoods appended to that Resolution.

If you have any additions to the list to propose, I should be obliged if samples and full particulars of the goods concerned could be forwarded with your reply.

It would be convenient if your proposals reach me not later than the 15th November next.

R. Dis. No. 384-Cus.-I.|28.

GOVERNMENT OF INDIA

FINANCE DEPARTMENT (CENTRAL REVENUES).

CUSTOMS.

New Delhi, the 5th Deeember 1928.

RESOLUTION.

With reference to the Resolution of the Government of India in the Department of Commerce, No. 5474, dated the 19th October 1922 and in supersession of the Resolution of the Government of India in the Finance Department (Central Revenues) R. Dis. No. 1356-Cus.|27, dated the 5th December 1927, the Government of India have decided to prescribe the appended list of cotton piece-goods for the assessment of import duty under No. 45 in Schedule II attached to the Indian Tariff Act, 1894.

(Sd.) V. S. SUNDARAM,

Deputy Secretary to the Government of India

LIST OF COTTON PIECE-GOODS.

Aeroplane cloth (cotton).
Alhambras.
Angolas (cotton).
Apron cloth (cotton).
Austrias and Argentinas (cotton).
Batistes (cotton).
Beaverteens (cotton).
Billiard cloth (cotton) in rolls.
Blankets (cotton).

Book-binding cloth.
Brilliants.
Brocades (cotton).
Broche.
Buckram (cotton).
Calicoes.
Cambrics, plain, dyed or printed.
Cantoons.
Canvas (cotton).
Canvas, French elastic (cotton).
Casement cloth (cotton).
Cashmeres (cotton).
Cellular cloth.
Checks, spots and stripes.
Chiffons (cotton).
Chinese dyed cloths.
Chintz, glazed or unglazed.
Choonris.
Chadars.
Chadar-pattas.
Coatings (cotton) including gabardines.
Corduroy and corded cloth (cotton).
Cotton flakes.
Counterpanes, unhemmed (including unhemmed bedspreads and unhemmed bed covers).
Crapes (cotton).
Crash (cotton).
Crepons (cotton).
Cretonnes.
Crimps (cotton).
Damask, cotton, table.
Dawanies.
Delaines (cotton).
Delametti.
Denims.
Dhotis.
Diagonals (cotton).

Diapers (cotton).
Dimity.
Domestics.
Domettes (cotton).
Dorias.
Dosooti.
Dress, plain or printed (cotton).
Drills, plain, striped or checked.
Duck.
Dungari.
Dupettas.
Dusters (when joined by the warp).
Embroidered allovers.
Embroidered flounces.
Fents (cotton).
Filter cloth (cotton).
Finduras.
Flannelette (cotton flannel).
Frieze cloth (cotton).
Galateas.
Gambroons.
Gauze (cotton).
Ghagras (cotton).
Ginghams (cotton).
Glass cloths (when joined by the warp (cotton).
Grenadines (cotton).
Gumchas.
Hair-cords.
Handkerchiefs (in woven pieces).
Harvards.
Holland and blind cloth (cotton).
Hollands (cotton).
Italians (cotton).
Jaconets, plain or bordered.
Jeans, plain, dyed or printed.
Lace curtain cloth.
Lace stripes.
Lambskins (cotton).

Lapets.
Lastings.
Lawns.
Lenos.
Limbrics (cotton).
Linenette (cotton).
Linings, plain, striped or mercerised.
Longecloths.
Lungis.
Lustres (cotton).
Madapollams.
Madras cloth.
Marcella.
Matte shirtings.
Matting (cotton).
Mattress cloth.
Meltons (cotton).
Meltons (cotton).
Mercerised cloth.
Merinos (cotton(.
Merins.
Mexicans.
Moleskins (cotton).
Molleton cloth.
Morias.
Moreens (cotton).
Mulls, all kinds, plain or bordered.
Muslins (cotton), all kinds.
Nainsooks.
Net (cotton).
Nun's veiling (cotton).
Ooameal cloth.
Pacalene, black (cotton).
Pagri cloth.
Penelope canvas.
Pillow calico, tubular.
Piques.
Plumettiffs (cotton).

Plushette.
Pocketing (cotton).
Pompadour.
Pongees (cotton).
Poplins and Poplinettes (cotton).
Printed crepelle.
Prints.
Printers (plain and coloured).
Putsoos.
Quiltings (cotton).
Quilts.
Radium cloth.
Regattas.
Rep cloth (cotton).
Rugs (cotton), travelling.
Sail cloth (cotton).
Saris.
Sarongs.
Sateens, plain, dyed or printed.
Satinette.
Satin stripes (cotton).
Scarves (cotton).
Serges (cotton).
Shawls (cotton).
Sheetings.
Shirtings.
Silecia.
Silkette, plain or stripes.
Spanish stripes (cotton).
Sponge cloth (cotton).
Suraline.
Sussi cloth.
Suitings (cotton).
Swansdown calico.
Table covers, unhemmed.
Taffettas (cotton).
Tambours.

Tameins (unfinished).
Tanjibs.
Tapestries (cotton).
Tarlatans.
T cloths.
Ticking mattress or blind (cotton).
Towels (cotton) in woven pieces and towel cloth including Terry cloth.
Tricot (cotton).
Trouserings (cotton).
Tulle (cotton).
Turbans (cotton).
Turkey red cloth.
Tussor cloth (cotton) and Tussorette.
Tweeds (cotton).
Twills (cotton), plain, dyed or printed.
Umbrella cloth (cotton).
Undershirt cloth (cotton).
Valencias.
Velvets (cotton).
Velveteen (cotton).
Venetian cloth (cotton).
Vestings or waist-coatings (cotton).
Voiles (cotton).
Zephyrs.

No. 2485 dated 16th November 1929 from Chamber to the Director General of Commercial Intelligence and Statistics.

With reference to your letter No. 9142-C.I.C., of the 1st October 1929, my Committee have no suggestions to make in this connection.

APPENDIX XXIX.

REVISION OF THE LIST OF ARTICLES SPECIFIED IN THE SEA-BORNE TRADE RETURNS OF BRITISH INDIA.

No. 8655 dated 20th September 1929, from the Director General of Commercial Intelligence to Chamber.

I have the honour to state that the question of the annual revision of the lists of articles specified in the foreign Sea-borne Trade

returns of British India is now under consideration in this Department. In connection therewith I shall be glad to receive your suggestions regarding any additional items which you consider essential for specification in the trade returns.

It is requested that your reply may be sent to this Department not later than the fifteenth of November 1929.

No. 2484 dated 16th November 1929, from Chamber to the Director General of Commercial Intelligence and Statistics.

With reference to your letter No. 8655, of the 20th September 1929, my Committee have no suggestions to offer in this connection.

APPENDIX XXX.

PROPOSED NEW CLASSIFICATION OF SUGAR IN THE TRADE RETURNS OF BRITISH INDIA.

No. 1311 dated 1st February 1929, from the Director General of Commercial Intelligence and Statistics to Chamber.

I have the honour to say that a suggestion has been received in this department to revise the existing classification of sugar in the trade returns on the following lines:—

Existing classification	Proposed classification
Imports	**Imports**
1. Sugar 16 D. S. and above	1. Beet Sugar
2. Best Sugar	2. Sugar 23 D. S. and above
3. Sugar 15 D. S. and below	3. Sugar below 23 D. S.
4. Molasses	4. Molasses
Re-exports	**Re-exports**
1. Sugar 16 D. S. and above	1. Sugar 23 D. S. and above
2. Sugar 15 D. S. and below	2. Sugar below 23 D. S.
Exports.	**Exports**
1. Sugar 16 D. S. and above	1. Sugar 23 D. S. and above
2. Sugar 15 D. S. and below	2. Sugar below 23 D. S.
3. Molasses including palmyra and cane jaggery	3. Molasses

The proposed changes have the advantage of bringing the trade classification in line with the tariff classification although there will be a break in the continuity of recorded statistics. Before arriving at a final decision I should be obliged if you would be so good as to favour me with you views on the proposed changes.

An early reply will be much appreciated.

No. 572 dated 6th March 1929, from Chamber to the Director General of Commercial Intelligence and Statistics.

I am directed to acknowledge receipt of your letter No. 1311-D. dated 1st February 1929, on the above subject, and to say that my Committee have no objection to the proposed changes.

APPENDIX XXXI.

PROPOSAL TO INTRODUCE A NEW CLASS OF POSTAL ARTICLES, CONTAINING SMALL ARTICLES LIABLE TO CUSTOMS DUTY.

No. 554—F. M|28 dated 11th April 1929, from the Government of India, Department of Industries and Labour to Chamber.

I am directed to say that under the regulations of the Universal Postal Union, prior to the 1st October, 1925, the despatch of dutiable goods in the International letter post was prohibited. In practice however, considerable quantities of merchandise actually did travel by the letter post, and, as the rigid enforcement of the embargo upon the transmission of commodities liable to customs duties by the medium of the letter post would have given rise to general public inconvenience, most administrations of the Postal Union tacitly permitted their importation from other countries by that means.

2. This state of affairs was made the ground by the German Post Office at the Postal Congress of Stockholm in 1924 for a proposal to introduce into the mails a new category of correspondence entitled "Petits Paquets de Marchandise." Owing primarily to the administrative difficulties involved in the creation of a fresh classification of correspondence intermediate between the letter and the sample post, the general sense of the Congress was against this new class

of mail matter being brought into existence. The Congress, however, decided that a modification of the provisions governing the use of the letter post for the transmission of dutiable goods was desirable, and in the regulations which were finally agreed upon provision was made for the withdrawal of the prohibition described above, and all postal administrations were authorised to come to an agreement with one another for the admission by the letter post, solely as letters, of articles liable to customs duties, subject to the precaution that the nature of the contents of such letters should be indicated thereon for the guidance of postal and customs officers. The option conferred by this relaxation of the Union rules was exercised by the Indian Posts and Telegraphs Administration, and it decided to admit in the letter post to this country, and to exchange with other countries which were disposed to allow similar latitude to importations by the letter post, goods liable to customs duty, with effect from the 1st October 1925.

3. At the Postal Congress to be held in London at the beginning of May, the proposal made in 1924 by Germany is to be revived, and there is reason to expect that several other administrations, notably those of Japan, France and Greece, will support the introduction of a new class of postal article, containing small objects liable to customs duty. It is understood that the British postal administration is also favourably disposed towards this proposal. The main ground on which the introduction of the "Petits Paquets" is being urged is that the increase in the number of letters possessing contents which are liable to duty is a source of practical embarrassment to the postal service, and the object aimed at is the introduction of a service of packets of small size containing exclusively articles liable to customs duty, for despatch separately from, but on all ordinary occasions simultaneously with, the letter mails.

4. The main features suggested for such a service are, (a) that the weight of each packet would be limited to 1 kg. (equal 2 lbs. 30z.), (b) that so far as customs formalities are concerned, the treatment of the packets would correspond to that accorded to the parcel post, (c) that the postage would be on a lower scale than that fixed for letters but would be higher than that for the ordinary packets post, (d) that the "Petit Paquets" would be posted under the same conditions as to manner

of packing as sample packets, i.e., they will be open to inspection, (e) that the administrations of destination would be authorised to collect from the addressees an additional fee to cover the cost of (i) internal transport, (ii) customs formalities, and accounting, (iii) delivery and (iv) warehousing. Finally, that simultaneously with the introduction of the new service the prohibition on the despatch of dutiable goods by the letter post would be re-imposed.

5. The Government of India understand that the present proposal is to leave all countries free to adopt this service in their reciprocal relations, but it is uncertain whether the Congress may not take an extremer view and, should the proposal be accepted, make it binding upon all administrations.

6. It appears to Government that the introduction of the service would in the main benefit industrially developed countries which manufacture small articles of utility, ornament or personal adornment. Such countries would be placed in an advantageous position in the matter of the despatch of their manufactured goods by post to countries in which they would find a ready market owing to these countries not being in a position to compete with them. The despatching countries would therefore directly benefit by such stimulus to trade as the change might afford. The proposal seems however to be of doubtful advange to India so far as it may affect the country's industrial development of similar industries, though the consumer would derive benefit from the more rapid and cheaper despatch of the products of the industries of highly developed countries in small quantities.

7. In the circumstances it will be clear that the attitude which should be taken up towards the proposed additional category of postal articles is not entirely free from doubt. The Government of India are disposed to think that there would be no objection to a provision leaving the different contracting administrations free to adopt the new class of articles in its foreign postal relations if and when they consider it advantageous to do so. But in view of the possibility of the service being made obligatory on all postal administrations I am to ask that you will kindly favour the Government of India with an expression of your **Chamber's** opinion on the subject as a whole. The Government would be grateful, since the

sittings of the Congress are to begin early in May next, if they could be placed in possession of a reply by the middle of that month.

No. 1119 dated 16th May 1929, from Chamber to the Government of India.

I am directed to acknowledge receipt of your letter No. 554- F. M|28, dated the 11th April 1929, and to submit the views of my Committee on the above, as under:—

My Committee have carefully considered the proposal indicated in the Government letter. They are sorry to observe that they are not at all in favour of the proposed scheme, because they think that it will be a handicap to nascent industries of the country. They therefore request Government to be pleased to strongly oppose the proposal at the Postal Congress to be held in London.

APPENDIX XXXII.

REMOVAL OF RESTRICTIONS ON DUTY FREE SUPPLY OF SPIRITUOUS MEDICINAL PREPARATIONS.

No. 5275.-C124 dated 21st May 1929, from Government of Bombay, Revenue Department to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to refer to your letter No. 2028 dated 10th September 1928 and to state that orders have been issued direcing that Absolute Alcohol shall be treated as a spirituous medicinal preparation entitled to the concession rate of duty, viz., Rs. 5 per proof gallon, when manufactured in bond. The rules for the duty-free supply of spirituous medicinal preparations to recognized hospitals and dispensaries, etc., are also being revised on the lines of the similar rules in force in the Presidency of Bengal.

APPENDIX XXXIII.

COTTON PIECE-GOODS-TARIFF EXAMINATION.

Government of India, Finance, Department, dated 22nd, July 1929. Press Communique.

The Government of India have decided to appoint Hr. Hardy, Collector of Customs, Calcutta, to examine the possibility of substitu-

ting a system of specific duties for the existing system of **ad valorem** assessment of cotton piece-goods. They have also decided, in order to give effect to the promise made by His Excellency Lord Irwin, when he received a deputation from the Bombay Millowners' Association at Poona, that their representation would be considered, that Mr. Hardy should simultaneously ascertain and report what changes have taken place since the Tariff Board reported in the volume of imports, classes of goods imported and the extent and severity of external competition with the products of the Indian Mills. Those interested in either branch of the enquiry should communicate with Mr. Hardy direct. Such communications may be addressed to the Cotton Tariff Officer, Custom House, Calcutta.

No. 1950 dated 30th August 1929, from Chamber to G. S. Hardy Esq., Cotton Tariff Officer, (Special).

The Committee of the Chamber are glad to note that you have been deputed by the Government of India to examine the possibility of substituting a system of specific duties for the existing **ad valorem** duties on cotton piece-goods. They welcome this reference of the question by Government to a special officer, as they understand that the motive is to provide the necessary protection to the Textile Industry. They are, however, unable to express any definite views on the question until they know what your proposals are in that regard. I am directed by the Committee to inform you that they would be willing to co-operate with you during the course of your enquiries whenever necessary.

No. 55-C. T. I., dated 3rd September 1929, from the Cotton Tariff Officer to Chamber.

I have the honour to refer to your letter No. 1950 dated the 30th August 1929.

2. Any proposals I may make for the substitution of specific duties on cotton piece-goods must necessarily be placed in the first instance to the Government of India who will decide in what manner to consult the interests suggested. I shall, however, welcome any suggestions you may have to make as to how piece-goods can be suitably classified for the purpose of imposing specific duties.

APPENDIX. XXXIV.

SALT INDUSTRY—REFERENCE TO THE TARIFF BOARD.

DEPARTMENT OF COMMERCE.

RESOLUTION.

Tariffs.

Simla, the 25th July 1929.

No. 601-T (1)—The Taxation Enquiry Committee reported in 1926 that it was desirable to make India self-supporting in the matter of salt supply, if this end could be secured by the granting of a purely temporary advantage to the local manufacturer, whether by way of a rebate of duty or of a differential duty on import or both, and recommended that an enquiry should be made into this matter by the Tariff Board. This recommendation was, along with other recommendations of the Committee relating to salt, examined by the Central Board of Revenue with the assistance of Mr. D. N. Strathie, I.C.S., an officer who had had considerable experience of Salt administration in Madras. The main conclusions of the Board were briefly as below:—

(a) The problem of making the mankind of India (as distinguished from Burma) self-supporting in the matter of salt supply resolves itself into that of capturing for Indian salt the market for fine white crushed salt in Bengal, since no attempt could reasonably be made to compel the consumer in Bengal to take the ordinary Madras or Bombay salt.

(b) The cost of transporting salt to Bengal from those places in India at which salt suitable for that market could be produced, and the extent to which such transport could be made available, were factors of the greatest importance.

(c) The probable limitations upon the out-put of sources in India which could produce the required quality of salt were such that, on the evidence available, a reasonable probability that India could be made self-supporting in this respect could not be regarded as established.

2. The Central Board of Revenue, therefore, reported that there was no **prima facie** case for reference to the Tariff Board. As regards Burma, however, Mr. Strathie recommended that, in view of the special conditions there, there was a **prima facie** case for reference to the Tariff Board. The Central Board of Revenue recognised that, if that province had stood by itself, the course suggested by Mr. Strathie could have been adopted, but felt that the adoption of different rates of customs duty for goods imported into different parts of India would be a violation of important principles tariff policy.

3. The Government of India accepted the conclusion of the Central Board of Revenue that there was no **prima facie** case for reference to the Tariff Board so far as the salt industry in India (excluding Burma) was concerned. The decision of the Government of India was published in Finance Department (Central Revenues) Resolution No. 20, dated the 12th May 1928. As regards Burma, they considered that means should be explored other than the grant of a differential duty in order to secure protection for the local industry. This subject is under active discussion at present with the Government of Burma.

4. During the last session of the Legislative Assembly the question of making a reference to the Tariff Board regarding the salt industry came under discussion in the Assembly in the course of a motion made by Mr. N. C. Kelkar to reduce the grant under the head "Salt" by Rs. 100. The discussion showed that there was a strong feeling in the Assembly that the question should be referred to the Tariff Board. In the course of the debate, the Hon'ble Sir George Rainy and the Hon'ble Sir George Schuster explained that the decision taken by Government not to refer the case to the Tariff Board was not final and had reference only to the circumstances at the time, and promised that the matter would be re-examined in the light of the events that had happened since the previous decision was taken.

5. Subsequent to the above debate, the Hon'ble Finance Member and the Members of the Central Board of Revenue visited Karachi in order to inspect the progress that has been made with the manufacture of salt since Mr. Strathie reported and to assess the possibilities of increased production there and elsewhere. As a sequel to these visits, the Government of India have reconsidered the

position. They are still satisfied as to the essential correctness of the first two of the three conclusions cited in the opening paragraph of this Resolution; but as regards the third of these conclusions, they consider, in the light of recent experience in the production of fine white salt at Karachi and of the emergence of certain other possibilities, that it is necessary to re-examine the situation. They have now decided therefore that a reference to the Tariff Board need no longer be regarded as premature, and that, in view of the public interest which has been displayed in this matter, the Board shall be directed to set up an enquiry forthwith.

6. The Tariff Board will accordingly be asked to report whether, having regard to all relevant considerations, it is desirable in the national interest that steps should be taken to encourage the production of salt in India suitable for consumption in those markets which are at present largely supplied from abroad, and if so, what measures they recommend. The Board should take into account the relations between the Government of India and Aden and the conditions of the existing salt industry in the latter place and should make such special recommendations, if any, affecting the treatment of salt produced there as may seem to them to be appropriate. They should also note that it is already the settled policy of the Government of India to allow salt produced in the Indian States and transported to to the Government of India and that there is no illicit removal **en route.**

7. All persons interested in the enquiry should communicate with the Secretary to the Tariff Board, who will announce in due course the dates on which and the places at which the enquiry will be held.

Order.—Ordered that a copy of the above Resolution be communicated to all Local Governments and Administrations, all Departments of the Government of India, the Central Board of Revenue, the Director General of Commercial Intelligence and Statistics, the Indian Trade Commissioner, London, the Secretary, Tariff Board, His Majesty's Trade Commissioner in India, all Chambers of Commerce, the

Canadian Government Trade Commissioner in India and the Secretary Imperial Council of Agricultural Research.

Ordered also that it be published in the **Gazette of India.**

(Sd). H. A. F. LINDSAY,

Joint Secretary to the Government of India.

Telegram dated 27th July 1929, from the Chamber to the Government of India Finance Department.

"Committee Indian Merchants' Chamber desire to convey to H. E. the Governor General in Council their grateful cordial appreciation of Government's decision to refer the salt question to Tariff Board. So far as Committee are aware this is the first time Government of India will have a public inquiry into the much-agitated question of salt so necessary for the well-being of men, cattle and agriculture of India. Committee trust the inquiry will be full and exhaustive and as a result of it India will be self-contained as far as her salt requirements are concerned. No other country in the world is better equipped by nature for this purpose and the first step now taken by Government is by no means a hurried one. Inchambu"

APPENDIX XXXV.

NADIAD MUNICIPALITY AND EXPORT DUTY ON COTTON PIECE-GOODS.

No. 2134, dated 26th September 1929, from Chamber to Government of Bombay, Local Self-Government Department.

The attention of my Committee has been drawn to a proposal of the Nadiad Municipality to levy an export duty of six annas per Bengali Maund of mill-cloth. My Committee are surprised at such a proposal. The Government of Bombay cannot be unaware of the depression through which the cotton textile industry of the Presidency is passing, nor of the fact that the change effected two years back in the ratio of the Rupee by fixing it at 1sh. 6d. has placed a handicap of 12|1|2 per cent. on the industry as against its foreign competitors. The Government of India made a special reference to the Tariff

Board regarding protection which should be given to the industry and though they did not follow the main recommendations of the Tariff Board and gave a halting protection to the industry they showed in the very fact of the reference and the later developments that they did recognise the urgent necessity of giving some protection to the cotton textile industry. Since then the situation had grown from bad to worse.

Only recently Mr. Hardy was appointed to examine the possibility of substituting a system of specific duties for the existing system of **ad valorem** assessment of cotton piece-goods and he is carrying on his investigations. There is a cotton Spinning and Weaving Mill at Nadiad managed by the New Shorrock Spinning and Manufacturing Co. Ltd., of Ahmedabad which exports about 10,000 bales of cotton piece-goods from Nadiad and which will now be subjected to pay about Rs. 15,000 annually by way of duty. It is preposterous that a concern which engages about 2,000 workmen within the Municipal limits and helps to develop the trade and industries of the place should be penalised to this extent by the Municipality.

Over and above this, however, there are the general considerations to which my Committee have drawn the attention of Government in this letter. While there is a cry throughout the country for protection to the textile industry it is neither fair nor reasonable that a local Municipality should for the purpose of its revenues impose an export duty on mill cloth exported from its municipal limits.

Under these circumstances, my Committee beg to request Government to be good enough to vote the proposed export duty on mill cloth at Nadiad in the interest of the Cotton Textile Industry.

No. S.-23-12790-A., dated 12th December 1929, from the Government of Bombay, General Department to Chamber.

With reference to your letter No. 2134, dated the 26th September 1929, and subsequently reminder, regarding the levy by the Nadiad Municipality of an export duty on cotton cloth. I am directed by the Government of Bombay, (Transferred Department), to in-

form you that the matter is still under the consideration of Government.

APPENDIX XXXVI.

ABOLITION OF THE IMPORT DUTY ON COPRA.

No. 2001, dated 4th September 1929, from Chamber to Government of India, Finance Department.

I am directed by the Committee of this Chamber to submit their views on the question of the abolition of import duty on copra.

My Committee understand that the import duty on copra was originally imposed with a view to encourage a large production of Indian Copra both for export and for the home industry. They however understand that in spite of this duty there has not been practically any increase in the acreage under copra and the exports to foreign countries appear to be falling. Complaints are not wanting regarding the scarcity of copra for indigenous oil pressing industry. Copra, being the chief raw material for this industry, ought to be made available for the successful development of the industry,. In view of all these facts my Committee are convinced that there is no justification for an import duty on copra. Besides, cocoanut is an important part of the diet of a large section of the population; and the raw material for the oil industry, in which capacity it should be allowed to be imported free of duty.

I am, therefore, directed by my Committee to request you to move Government to be pleased to abolish the import duty on copra as soon as possible.

No. 42-T.-(6), dated 1st February 1930, from the Government of India, Commerce Department to Chamber.

I am directed to refer to your letter No. 2001, dated the 4th September 1929, addressed to the Government of India in the Finance Department, on the above subject, and to say that the views of your Chamber have been noted by the Government of India.

APPENDIX XXXVII.

PROHIBITION OF THE IMPORTATION OF EXHAUSTED CLOVES IN INDIA.

No. 2893, dated 23rd December 1929, from Chamber to Government of India, Finance Department.

The attention of my Committee has been drawn to large imports of exhausted cloves. They understand that a large portion of this is mixed with genuine cloves and the mixture is palmed off as quality stuff. The Tariff value for cloves for this year is Rs. 52 per cwt., while that for exhausted cloves is Rs. 11. This wide difference in prices between the two has tended to encourage this malpractice which assumes almost the nature of a menace to the genuine clove trade. My Committee need only mention to bring home to Government the great harm caused to the health of the consumers by the use of exhausted cloves and they therefore recommend to Government that in the interest of the general health of the consuming public as also in the interest of the genuine clove trade imports of exhausted cloves should be prohibited.

They may in passing mention that they drew the attention of the Director General of Commercial Intelligence and Statistics to this at a recent interview. My Committee hope that this suggestion of theirs will meet with favourable consideration.

No. 1962-C., dated 12th May 1930, from Government of India, Commerce Department to Chamber.

I am directed to refer to your letter No. 2893, dated the 23rd December 1929, addressed to the Finance Department, in which it is stated that a large proportion of the exhausted cloves which are imported into India is believed to be used for the adulteration of genuine cloves, and the recommendation is made that the import of exhausted cloves should be prohibited both in the interests of the general health of the consuming public and of the trade in genuine cloves.

2. In reply, I am to say that examination of the relevant statistics shows that the proportion of the imports of exhausted cloves to the total imports of cloves into British India is too small to affect to any appreciable extent the trade in the genuine article, while the Govern-

ment of India have no reason to believe that the consumption of exhausted cloves is injurious to health. They do not, therefore, see any justification for prohibiting the import of exhausted cloves into India.

No. 1129, dated 26th May 1930, from Chamber to Government of India, Commerce Department.

I am directed to acknowledge the receipt of your letter No. 1962-C., of the 12th instant. My Committee note that from the statistics in the possession of Government the proportion of imports of exhausted cloves to the total imports of cloves is too small to justify the contention of the Committee that it threatens to be a danger to genuine trade. I am directed to request Government to supply my Committee with the figures of importation of exhausted cloves and genuine cloves separately for the last five years.

Apart from the harm and extent to which this practice may lead to, my Committee still are of opinion that the practice itself is indefensibly wrong and Government should, therefore forthwith take steps to stop the same. My Committee, therefore, beg to reiterate their previous suggestion that the importation of exhausted cloves should be prohibited.

No. 1962-C. (2), dated 26th June 1930, from Government of India, Commerce Department to Chamber.

With reference to your letter No. 1129, dated the 26th May 1930, on the above subject, I am directed to forward a statement showing the imports of genuine and exhausted cloves into British India for the five years ending 1929-30, as estimated on the basis of the customs duty collected thereon.

2. As regards paragraph 2 of your letter, I am to say that the Government of India regret that they are unable to reconsider their decision not to prohibit the import of exhausted cloves.

Imports of cloves into British India estimated on the basis of the revenue collections on cloves and exhausted cloves specified in the Tariff.

(1) Cloves (genuine) In cwts.

	1925-26	1926-27	1927-28	1928-29	1929-30
Bengal	8,200	6,800	16,900	14,000	19,300
Bombay	80,100	46,300	44,500	38,400	59,100
Sind	..	..	..	..	..
Madras	..	100	500	400	400
Burma	..	..	800	500	100
Total	88,300	53,200	62,700	53,300	78,900

(2) Exhausted Cloves.

	1925-26	1926-27	1927-28	1928-29	1929-30
Bengal	500	500	500	400	..
Bombay	7,900	12,000	9,000	10,700	4,700
Sind		..	..	..	..
Madras	..	..	..	..	..
Burma	..	..	..	..	..
Total	8,400	12,500	9,500	11,100	4,700
Total of cloves including exhausted cloves (estimated)	96,700	65,700	72,200	64,400	83,600

APPENDIX XXXVIII.

IMPORT DUTY ON DATES.

No. 2891, dated 23rd December 1929. from Chamber to Government of India, Finance Department.

I am directed by my Committee to address you as under in connection with the abolition of the import duty on Dates.

Government cannot be unaware of the fact that Date is used as a principal article of diet by a large section of the poorer working classes. It is a foodstuff which needs no cooking and which is available to them in a form that makes it handy after a day's work. An im-

port duty of 15 per cent., therefore, presses heavily on such an article of necessity to the poor. It should be deemed desirable to make available at as low a price as possible such articles of necessity to the poor and therefore my Committee suggest the abolition of the import duty on dates. They hope that this suggestion would meet with approval of Government.

No. 226-T. (3), dated 4th February 1930, from Government of India, Commerce Department to Chamber.

I am directed to refer to your letter No. 2891, dated the 23rd December 1929, to the Finance Department, and to say that the Government of India have noted the views of your Chamber on the above subject.

APPENDIX XXXIX.

MARINE INSURANCE CERTIFICATES—LIABILITY TO STAMP DUTY.

No. 3613|Stamps, dated 10th October 1929, from the Superintendent of Stamps, Bombay to Chamber.

I have the honour to enclose copy of letter C. No. 38|Stamps|28 dated 9th September 1929, from the Government of India to the address of the Government of Bombay, and to request that you will be so good as to favour me with the views of your Committee on the question of the liability to stamp duty of certificates granted in connection with Marine Insurance 'Open' policies referred to by the Calcutta Marine Insurance Association in their representation to the Government of India.

Letter No. 38-Stamps|28, dated 9th September from the Government of India to the Government of Bombay, Revenue Department.

I am directed to enclose copies of letters No. 88-P., dated the 8th February 1928, and No. 639-P, dated the 2nd September 1929, which have been received by the Government of India from the Calcutta Marine Insurance Association, and to request that the Government of India may be favoured with the opinion of the local Government upon the subject.

2. Certificates granted under 'Open' policies for Marine Insurance may be divided into the following categories:—

(1) connected with policies executed abroad;

(a) covering goods exported from a foreign country to British India;

(b) covering goods transported within or exported from British India;

(2) connected with policies executed in British India.

Certificates falling under category (1) (a) have already being discussed in this Department letter C. No. 155-Stamps|28, dated the 23rd August 1929, to the four maritime Governments. Certificates falling under category (2) do not appear to require any special attention since the policies under which they are granted are themselves liable to stamp duty. The present discussion may be confined to certificates falling under category (1) (b). It is these certificates, when executed in British India, which the Association appear to have in mind. If it should ever happen that such certificates are executed abroad, they can only become liable to stamp duty if for any reason they are received in this country.

3. If the existing law is as the Government of India hold it to be—that such certificates do not fall under the existing definition of insurance policies contained in clause (19) of Section 2 of the Indian Stamp Act, II of 1899—effect could only be given to the wishes of the Association by an amendment of the law. It has already been suggested in paragraph 11 of this Department letter of 23rd August 1929, quoted above that certificates under 'Open' policies that have not been stamped in British India should be made liable to tax when received in British India, with a saving clause to exempt the 'Open' policy if itself subsequently received in British India from so much of the duty to which it may be liable on receipt in British India as may have already been paid on the certificate or certificates. To meet the point raised in the present correspondence, this proposal might be amplified so as to refer to certificates when received *or executed* in British India, the saving clause still continuing to apply. Another alternative, which might not be quite so clear, would be to adopt the United Kingdom definition of "Insurance Policy" which was quoted

in paragraph 10 of the letter of 23rd August 1929. It is upon these proposals for legislation that opinion is now invited by the Government of India.

Copy with enclosures, forwarded to other Local Governments for information.

Copy of letter No. 88-P., dated the 8th February 1928, from the Secretary, Calcutta Marine Insurance Association, Calcutta, to the Secretary to the Government of India, Finance Department (Central Revenues).

I have the honour to refer to the subject of the stamping of certain Marine Insurance documents. Under Sections 3(c) and 18 of the Indian Stamp Act, Marine Insurance policies executed outside British India, but under which claims are payable in British India, are liable to stamp duty; and persons who pay claims in respect of unstamped Insturance policies are subject to prosecution under Section 66(b) of the Act. In many cases, however, where a policy is issued outside India covering claims payable in this country, a certificate to the effect that insurance is effected abroad, is issued or completed within British India, in order to satisfy Banks negotiating documents that insurance actually exists. For instance, it is understood to be a common practice for Lloyd's Under Writers to supply shippers in India with certificate forms already signed on behalf of the Underwriters. These forms are completed with the details of the shipment in question and, on being countersigned by the shipper, are accepted by the Banks as proving the existance of Insurance. Such certificates the Committee understand are not stamped in British India. I enclose herewith a copy of certificate in the form referred to. The certificate you will observe, represents and takes the place of the original stamped Policy and conveys all the rights of the original policy holder for the purpose of collecting any loss or claim, as fully as if the property were covered by a special policy direct to the holder of the certificate.

In the opinion of the Committee of this Association certificates such as the copy one enclosed are actually in effect insurance policies inasmuch as they certify to the existance of insurance; the probability is that Banks would refuse to negotiate documents unless they were in possession of such a certificate in the absence of the relative stamp

policy. It appears to the Committee, therefore, that the certificates outside British India by Underwriters like Lloyds should, in equity to companies operating in India who pay both income-tax and stamp duty, be liable to the same amount of stamp duty as the policies which they represent. The Committee venture to suggest that the Government of India might be so good as to give the question their consideration.

Copy of letter No. 639-P., dated the 2nd September 1929, from the Secretary, Calcutta Marine Insurance Association, to the Secretary to the Government of India, Finance Department (Central Revenues).

I have the honour to refer to the correspondence on the subject of the stamping of certain Marine Insurance documents resting with Government's letter C. No. 38-Stamps-28, dated 11th May 1928.

2. It will be recalled that early in February of last year the Committee brought it to the notice of the Government of India that, where policies are issued outside India covering shipments made from this country, certificates to the effect that insurance is effected abroad are commonly completed within British India in order to satisfy Banks negotiating documents that insurance actually exists. Such certificates, it was pointed out, represented and took the place of the original stamped policy and conveyed to the holder of the certificate all the rights of the original policy holder; and the Committee suggested for the consideration of Government that these certificates should be liable to the same amount of stamp duty as the policies which they represented. The Government of India desired to have a clear ruling as to the position of the certificates under the existing law and they accordingly made a reference on the subject to the Government of Bengal, who eventually took the matter to the Calcutta High Court for decision.

3. According to report which appeared in the "Statesman" of 26th June 1929, the Chief Justice, in dismissing the reference as incompetent, held that Section 57 of the Indian Stamp Act could not be used by the Court in expressing an opinion on a question of a general nature, not arising out of a particular case; that the Court was bound to advise upon the actual facts before it and had no rights to speculate upon the possible nature of transactions of which it had no certain knowledge. While this is probably so, namely that Section 57 of the Indian Stamp Act provides machinery whereby only an actual

case involving a particular instrument may be dealt with by the High Court the position remains unsatisfactory in that no decision has been reached as regards the liability or otherwise of the certificates in question to Indian stamp duty, which was the point to which the Committee originally invited consideration. In these circumstances the Committee venture to enquire whether it is the Government of India's attention to leave the exact legal position in its present state of uncertainty, or whether an authoritative statement on the point may be expected. According to the "Statesman's" report referred to above—and this is the only source of information available to the Committee at the present stage—the view taken by the Government of India and supported by the Board of Revenue, appears to be that the documents are not themselves policies of insurance but merely constitute a transfer of interest in the policy, effected with a view to giving security to the Banks negotiating shipping bills. The Committee's contention on the other hand, is that the certificates are in effect insurance policies, inasmuch as they are issued for the purpose of satisfying Banks that insurance exists and in practice they enable the holder to collect a claim as if the property were covered by a special policy direct to the holder of the certificate. The Committee hold a strong view in the matter, as the interests which they represent are directly concerned with the issue of certificates of the type under discussion usually issued on behalf of the Underwriters abroad who pay no income-tax, etc. to the Government of India as do the members of this and similar Associations. They would, therefore, appreciate some fuller information than is at present available to them as regards the grounds on which the Government of India and the Board of Revenue base their view; for it is conceivable that, in the events of Government's opinion being the correct one, insurance interests generally may find it expedient to examine the position in greater detail with a view to devising some means whereby the use of certificates in place of politics would exempt shippers from the payment of stamp duty and thus place insurance concerns in India on an equal footing with competing Underwriters outside this country.

No. 2520, dated 20th November 1929, from Chamber to the Superintendent of Stamps, Bombay.

With further reference to your letter No. 3613, of the 10th October, my Committee are of opinion that the certificates granted

in connection with 'open' Marine Insurance Policies executed abroad should be considered as policies, as they convey to the holder all the rights of the policy, and should, therefore be liable to Stamp Duty.

——:o:——

APPENDIX XL.

EXTENSION OF THE SECOND APPRAISEMENT SYSTEM TO COMMODITIES ASSESSED AT SPECIFIC DUTIES.

No. R.S.R.-4495, dated 20th June 1929, from the Collector of Customs to Chamber.

With the reorganisation of the Appraising Department sanctioned by the Government of India, it is now possible to extend the scope of the Second Appraisement System to commodities assessed to duty at specific rates and on tariff valuations also. This will however necessitate some amendment in the existing procedure so far as bills of entry covering such articles are concerned and the accompanying Notice explains in brief the proposed changes.

It would be of interest to your Committee to know that the Second Appraisement Procedure has been taken advantage of by the trade even in its limited scope to an extent beyond expectation. There is every hope that most bills of entry will eventually be submitted and dealt with under the Second Appraisement System when the present logical extension of the system is effected.

For the information of your Committee, I may add that an Enquiry Officer has been appointed in the Appraising Department and is available to give advice and information to importers and their clearing clerks on Customs procedure and assessments. I request that the fact be notified to your members to enable their clearing staff to utilise the services of the above named officer to the fullest possible extent.

NOTICE

Importers' attention is hereby drawn to the Customs Notice, dated 1st August 1928 regarding acceptance of duty on imported goods before completion of examination and final assessment. With effect from 1st July 1929, this procedure will be extended to goods assessed to duty at specific rates or on tariff valuations, provided

importers make the necessary declaration referred to in the above Notice.

2. With a view to place the whole Customs procedure relating to the scrutiny of Customs documents on a proper footing and to ensure proper checks thereon, it has been decided that all bills of entry including those for goods assessed to duty at specific rates or on tariff valuations should be completed by Scrutinising Officers in the Custom House. All bills of entry, whether intended to be submitted under the Second Appraisement procedure or not, should accordingly, on and from 1st July 1929, be presented subject to exceptions noted in the next following paragraph, to the Scrutinising Appraisers in office dealing with the particular classes of goods covered by them. If the bills of entry are presented under the Second Appraisement procedure, they will be dealt with in accordance with the rules laid down in that connection; otherwise, they will be referred to the Docks for necessary weighment and examination reports before completion by Scrutinising Appraisers.

3. Bills of entry for commodities mentioned in the sub-joined statement, which are assessed to duty on the basis of weights or measurements should, until further orders, continue to be taken to the Docks after they are noted. After examination and necessary weighment or measument, as the case may be, at the Docks the bills of entry should be presented to Scrutinising Appraisers in office for completion.

Serial No. in Indian Customs Tariff.	Articles.
1 to 3	Fish
	Fishmaws
	Sharkfins.
3A to 4	Almonds
	Cajoo kernels
	Cocoanuts
	Currents
	Dates
	Figs
	Fruits and Vegetables in bulk
	Garlic

		Pistachio nuts
		Raisins.
5	.. ..	Cassava or Tapioca flour.
14	.. .	Cassava Tapioca or Sago.
		Cocum
		Ghee
		Vegetable product
		Cheese-loaf
//		Isinglass.
18	.. ..	Spices all sorts.
20	.. ..	Sugar
		Sugarcandy
		Molasses.
21-22	.. ..	Tea
		Coffee.
24	.. ..	Salt.
29	.. ..	Tobacco unmanufactured.
33	.. ..	Gums, Resins and lac all sorts.
35	.. ..	Iron or Steel old.
42	.. ..	Seeds all sorts other than garden seeds.
44	.. ..	Wax.
46	.. ...	Textile meterials specified for T. V. in the item.
49	.. ..	Sandalwood
		Lowa Wood.
51	.. ..	Cowries and shells all sorts.
52	.. ..	Ivory.
69	.. ..	Copperas green.
74	.. ..	Chemical, drugs and medicines in bulk, except gases.
91	.. ..	Dyeing and tanning substances specified for tariff valuations.
		Samauderfins.
		Red lead in bulk.

101-104	.. ..	Iron and Steel.
		Angles, channels and tees and beams. etc., not fabricated.
		Bar and Rod not fabricated.
		Rice bowls.
		Plates and Sheets and circles not fabricated.
		Bolts and nuts.
		Nails, rivets and washers.
109-111	.. ..	Aluminium
		Brass, yellow metal and gun metal } all sorts.
		Copper
		German Silver
		Lead, pig or old.
		Tin, block or old.
112	.. ..	Old newspapers.
		Strawboards.
132	.. ..	Broken tiles
136	.. ..	Coir yarn.
149	.. ..	Perfumery specified for tariff valuations.
150	.. ..	Pitch, Tar, Dammer specified for tariff valuation.
152	.. ..	Portland Cement.
165	.. ..	Bird shots.
169	.. ..	Fodder, bran and pollards.

NOTE.—Scrutinizing Appraisers may order goods not on the above list to be treated as if they were, if satisfactory documents are not forthcoming, but goods on the list will not be assessed by them except on the basis of the weights as ascertained by weighment.

No. 1758, dated 5th August 1929, from Chamber to the Collector of Customs.

With reference to your above letter, I am directed to inform you that my Committee have no objection to the proposed extension, provided the time taken at present in completing the papers is not going to be exceeded under the new procedure.

APPENDIX XLI.

Last day for applying for refund of Income-tax: Section 50 of the Indian Income-tax Act.

No. 1844, dated 15th August 1929, from Chamber to the Secretary, Central Board of Revenue.

——:o:——

The Central India Spinning and Weaving Co., Ltd., a Member of the Chamber, have forwarded to the Committee copies of the correspondence passed between them and the Central Board of Revenue regarding the above. My Committee have considered the same and are inclined to agree with the party that the reply given by the Board does not clarify the position. The way in which the original judgment of the appeal court in the Civil reference No. 20 of 1924 was altered, and the explanation of the Board that the correction slip No. 20 does not supersede the Bombay High Court ruling in the said appeal substantially confirm the complaint, that the doubtful interpretation of section 50 for applying for refund of income-tax is far from being clarified. I am, therefore, directed by the Committee to request the Central Board of Revenue to move the Government of India, if necessary, to make the necessary amendment in the Income-tax Act and to make the position clear so as not to leave any room for doubt.

No. D. A. Dis. 596—I. T.|29 dated 27th August 1929, from Central Board of Revenue to Chamber.

With reference to your letter quoted above, I am directed to forward herewith a copy of my letter D. A. Dis. No. 596—I. T.|29, dated the 31st July 1929, to the Central India Spinning, Weaving and Manufacturing Company, Limited, a copy of which has probably not reached you. You will see from that letter that there had been an unfortunate mistake in the earlier letter D. A. Dis. No. 522—I. T.|29, dated the 29th June 1929, sent to that Company. I am directed, however, to state for your information that it has already been decided to amend section 50 at the earliest opportunity so as to make its intention clear.

Copy of letter D. A. Dis. 596—I. T.|29, dated the 31st July 1929, from the Secretary, Central Board of Revenue, to the Director, the Central India Spinning, Weaving and Manufacturing Company, Limited "Bombay House", Bruce Street, Fort, Bombay.

Indian Income-tax Act, XI of 1922—Section 50—Interpretation of—Central India Spinning, Weaving and Manufacturing Company, Limited,—Enquiry from—Your letter dated the 11th July 1929.

In reply to your letter quoted above, I am directed to say that the correct word appearing in the judgment of the Bombay High Court in Amratlal Gandhi versus the Commissioner of Income-tax is "declared" and not "paid". It is regretted that my letter D. A. Dis. No. 522-I. T.|29, dated the 29th June 1929, was issued under a misapprehension based on the report contained in Mr. Srinivasan's Tax Cases and overlooking the past history of this particular case. What happened is that the Bombay High Court in an order dated 27th May 1925 used the word "paid" and corrected this word "paid" into the word "declared" in an order dated 3rd August 1925. This correction was incorporated in the Income-tax Manual, as you point out.

APPENDIX XLII.

INDIAN INCOME-TAX ACT—DOUBTS REGARDING THE MEANING OF SECTIONS.

No. 1873, dated 21st August 1929, from Chamber to the Central Board of Revenue.

I am directed by the Committee of this Chamber to address you on the question of action to be taken by income-tax authorities when they were in doubt as to a particular section of the Income-tax Act. My Committee are of opinion that when such cases arise, or when there was a ruling of a court against them, the income-tax authorities should be instructed not to take any action in the matter. They are rather of opinion that no tax in such cases whether appealed or not should be collected and if collected should be refunded without delay. My Committee hope your Board will appreciate the force of their suggestion and that the necessary instructions will be issued to all the income-tax authorities in the different provinces of the country.

C. No. 737—I. T.|29, dated 20th August 1929, from the Central Board of Revenues to Chamber.

I am directed to acknowledge receipt of your letter quoted above and to say that the Board regrets to be unable to comprehend fully the exact purport of your letter. It would, therefore, request that the point which your Chamber has in view may be stated in some detail, with concrete examples if possible.

No. 2081, dated 10th September 1929, from Chamber to the Central Board of Revenue.

I am directed to acknowledge receipt of your letter No. C.-737-I. T.|29, dated the 29th August 1929.

My Committee have in mind cases where the Income-tax Authorities are in doubt with regard to the interpretation of any particular of the Income-tax Act. There are certain Sections with regard to which the ruling of the Court has been against the interpretation of the Income-tax Authorities. With regard to both these cases, my Committee feel that no action should be taken by the Income-tax Authorities and that no assessment should be realised by them with regard to such matters. If any assessment is realised it should be refunded.

It is hoped that this explanation will clear up my letter of the 21st August 1929, No. 1873.

No. C.-737-I. T.|29, dated 20th September 1929, from the Central Board of Revenue to Chamber.

I am directed to acknowledge receipt of your letter No. C.- above and to say that the Assessing Officers of a Province have no option but to comply with the decisions of the High Court of their Province. Such a ruling need not necessarily apply in every province as in certain cases conflicting decisions have been given by the High Courts. The Board regrets that it does not fully understand the suggestion of your Chamber that where High Court has decided against the interpretation given by the Income-tax Department to a particular provision of the Income-tax Act, any income-tax realised under the assessment should be refunded.

APPENDIX XLIII.

TREATING PROFESSIONAL CHARGES SUCH AS FEES PAID TO ACCOUNTANTS AND AUDITORS AS BUSINESS EXPENSES WHILE ASSESSING INCOME-TAX.

No. 1851, dated 15th August 1929, from Chamber to the Commissioner of Income-tax, Bombay.

My Committee are informed that the Income-tax authorities at times do not treat the professional charges paid by merchans to Accountants and Auditors as **bona fide** business expenses. My Committee will feel obliged if you will kindly enlighten them as to whether the same is correct, and if so, they would request you to take steps to put a stop to such a practice.

No. Int. 250'29, dated 17th August 1929, from the Commissioner of Income-tax, Bombay to Chamber.

In reply to your letter quoted above. I have the honour to inform you that the Income-tax Officers have already been instructed to treat all audits of an assessee's accounts conducted before his return of income is made, where such a return is made on the due date or within any extended period allowed by the Income-tax Officer for its submission as audits conducted for ordinary business purposes and allow them as business expenses.

2. The cost of audits and similar operation conducted specially for income-tax purposes, whether in connection with assessments, appeals or revision petitions cannot, however, legally be allowed as a deduction from taxable profits (See Secretary, Board of Revenue, Income-tax, Madras, vs. B. Muni Swami Chetty and Sons, Indian Law Reports XLVII, Madras, page 653).

APPENDIX XLIV.

TREATING BONEE, CHANDLA, ETC., AS BUSINESS EXPENSES.

No. 1839, dated 14th August 1930, from Chamber to the Commissioner of Income-tax, Bombay.

The attention of the Committee of the Chamber has been drawn to the fact that the Income-tax authorities at times do not allow the

above sundry expenses incurred during the course of business by merchants as being business expenses and insist on adding the same to the assessable income. In this connection I am directed by my Committee to draw your attention to the fact that sometime back, when Mr. A. R. L. Tottenham, Senior Member Central Board of Revenue, interviewed the Committee, he gave an assurance that the sundry expenses of the kind mentioned above would be allowed as business expenses when computing the income-tax. My Committee will feel obliged if you will kindly enquire into the complaint and issue instructions, if necessary, to all the Income-tax officers not to insist on such expenditure being added to the assessable income.

No. 246|29, dated 17th August 1929, from the Commissioner of Income-tax to Chamber.

With reference to your above letter, I have the honour to inform you that looking to the copy of the minutes of the interview which Mr. Tottenham and myself had the pleasure to have with your Chamber, I find the following record about this subject.

" With regard to the question of allowances, both Mr. Tottenham and Mr. Vachha admitted that expenditure on tea, 'Pan' and other expenses of business firms should be allowed as a business expenses, **if the Income-tax Officer was satisfied that it was really business expenditure.** The same was the case with regard to petty tips, bonuses, 'chandlas', etc."

In view of what you write now I am as requested by your Chamber, issuing the necessary instructions to my Income-tax Officers as per these minutes.

APPENDIX XLV.

PENALTY FOR ARREARS OF INCOME-TAX.

No. 1838, dated 15th August, from Chamber to Commissioner of Income-tax, Bombay.

I am directed by the Committee of my Chamber to address you in connection with the question of the penalty imposed by the Income-tax authorities for arrears or tax,. My Committee understand that Income-tax authorities impose a penalty of 5 per cent. per month on

arrears of tax, which undoubtedly is a very exhorbitant rate. My Committee can understand the principle of imposing a penalty, but they are of opinion that the income-tax authorities should use greater discretion while imposing the same under section 46 of the Act. It is hoped that you will kindly do the needful in the matter.

No. Int. 245|29, dated 24th August 1929, from the Commissioner of Income-tax to Chamber.

I have the honour to acknowledge receipt of your letter quoted above.

APPENDIX XLVI.

INCOME-TAX ON PROFITS OF ADATIAS AND AGENTS.

No. 1850, dated 15th August 1929, from Chamber to the Commissioner of Income-tax, Bombay.

It has been represented to the Committee that Income-tax authorities frequently fix arbitrarily the percentage of profits alleged to be earned by Agents and Adatias on behalf of their constitutents residing in Indian States on their purchases for the latter. It is observed that this constitutes great hardships on the agents and Adatias because they themselves do not make any profit on the transactions but are simply engaged in buying goods ordered by their principals and despatching the same to them. My Committee in this connection would like to suggest that before fixing any percentage of profit on such transactions, the Income-tax authorities should fix the same after consulting the trades concerned. It is hoped that you will kindly see your way to accept and act on this suggestion.

No. Int. 244|29, dated 6th September 1929, from the Commissioner of Income-tax to Chamber.

With reference to the above, I shall be highly obliged if you will kindly let me know whether the word 'profit' in the last but one sentence of your letter refers to profit earned by the Agents and Adatias themselves or profit earned by their constituents.

No. 2187, dated 4th October, from Chamber to the Commissioner of Income-tax, Bombay.

Please refer to your letter No. Int.244|29, of the 6th September 1929. I am directed to inform you that the word 'profit' in the last

but one sentence of this office letter No. 1850 of 15th August, refers to the profits earned by the constituents (Non-Residents) of Agents and the Adatias.

No. Int. 244|29, dated 10th October 1929, from the Commissioner of Income-tax to Chamber.

I have the honour to acknowledge with thanks the receipt of your letter quoted above and to enquire whether the word 'trades' in the phrase "after consulting the trades concerned" in the last but two lines of your letter is not a mistake for "traders." An early reply will oblige.

No. 2717, dated 4th December 1929, from Chamber to Commissioner Income-tax.

Please refer to previous correspondence ending with your letter No. Int. 244|29, of the 10th October 1929. The words "after consulting the trades concerned" were intended to convey that enquiries should be made of the various trades associations representing a particular class of traders who deal in commodities which are the subject matter of taxation and after consulting such associations the assessment may be levied.

No. 244|29, dated 7th December 1929, from the Commissioner of Income-tax, Bombay to Chamber.

With reference to the correspondence ending with your letter quoted above, I have the honour to state that I shall feel obliged if you will kindly send me, if possible,, a list of the Associations referred to with their addresses and information as regards the commodities they deal in so as to enable me to issue instructions to the officers under me. You need not bother if you have not got this information.

No. 2780, dated 10th December 1929, from Chamber to Commissioner of Income-tax.

With reference to your letter No. Int. 244|29, of the 7th instant, I am sending to you herewith a list of Associations in Bombay, as desired.

No. Int. 244|29, dated 13th December 1929, from the Commissioner of Income-tax to Chamber.

I have the honour to acknowledge with thanks the receipt of the list forwarded under your letter quoted above and to state that

it as well as the contents of your letters on the subject are being brought to the notice of my officers for action whenever necessary.

APPENDIX XLVII.

INCOME-TAX LEVIED ON HINDU UNDIVIDED FAMILIES.

No. C.-437-I. T.|29, dated 11th October 1929, from the Central Board of Revenue to Chamber.

I am directed to forward herewith, for information, an advance copy of an addendum to the Income-tax Manual regarding the taxation of salaries and professional earnings of members of Hindu Undivided families. This does not involve any change in practice and merely sets out the existing law on the subject.

Addendum to the Income-tax Manual.

The income, profits and gains of a member of an undivided Hindu family are normally treated as joint family property. But where the income consists of his personal earnings and acquisitions by his own exertions, it will, unless it flows from a special education at the expense of the joint family over and above the ordinary education suitable to his position as a member of the joint family, or from the employment in business or otherwise of the joint funds, be treated as his self acquired property and not as joint family property.

APPENDIX XLVIII.

STAMP DUTY ON LEASES OF GODOWNS—DEDUCTION WHILE ASSESSING FOR INCOME-TAX.

No. 2266, dated 15th October 1929, from Chamber to the Commissioner of Income-tax, Bombay.

My Committee are informed by one of their members that the Income-tax Office does not exempt from assessment the stamp duty paid on leases of godowns rented by businessmen for storage of their goods as well as the duty paid for partnership deeds. They are of opinion that such stamp duty should come under legitimate business expenses which are allowed by the Income-tax Office. You will

kindly let my Committee know as to what is the procedure at present in force in the Income-tax Office with regard to this question. They hope that if the procedure is as my Committee are informed you will be kind enough to change it and allow the stamp duty referred to above under business expenses.

No. Int. 325|29, dated 8th November 1929, from the Commissioner of Income-tax to Chamber.

With reference to your above letter, I have the honour to state that so far no assessee has approached me in the matter referred to by you. Hence I regret I am unable to say anything definitely as to whether the items claimed are admissible or otherwise and I hesitate to come to any conclusion in the matter **ex parte** without hearing the assessee concerned. Hence the best course for your Chamber will be to advise the member concerned to appeal to higher authorities against the decision of the Income-tax Officer so that after hearing him the matter might be decided.

APPENDIX XLIX.

HIDE CESS ENQUIRY COMMITTEE.

Government of India, Department of Commerce, Simla, the 28th September 1929, Resolution, Tariffs.

No. 75-T. (29).—The Indian Finance Bill of 1927 provided for the removal of the export duty of 5 per cent. **ad valorem** on raw hides, but when the proposal was put to the vote in the Legislative Assembly, the division resulted in a tie and the President gave his vote in favour of the **status quo.** The removal of the duty was, therefore, negatived. It appeared, however, to the Government of India that the voting in the Assembly reflected a definite well-balanced conflict of interests and that a satisfactory solution of the difficulty might be found in the replacement of the export duty by an export cess which would be administered by a Committee on the lines of the Indian Central Cotton Committee representing all interests concerned and would be expended for the benefit of the industry as a whole. At the same time, it was considered that this committee should not be set up without some preliminary investigation, and the Governor-Gen-

eral in Council has accordingly decided, after consultation with local Governments and the Commercial and other interests concerned, to appoint an **ad hoc** committee including representatives of the export trade, and of the training industry with the following terms of reference:—

"To enquire and report on—

(1) the articles on which a cess might suitably be imposed and the rate of cess on each article;

(2) the constitution and personnel of the committee which would administer such a cess; and

(3) the functions of the committee and the objects on which the cess might be expended."

2. The Committee will be composed as follows:—

Chairman.

Dr. D. B. Meek, O.B.E., D.Sc., M.A., Director General of Commercial Intelligence and Statistics.

Members.

Mr. John Bleeck of Messrs. Max Stub, Limited, representative of the European Shippers of Hides, Calcutta.

Mr. M. Jamal Mahomed, President, Southern India Chamber of Commerce, Madras, representative of the Madras Tanners.

Mr. M. Mahomed Ismail, Honorary Secretary, Southern India Skin and Hide Merchants' Association, Madras, representative of the Madras Tanned Hides Shippers.

Mr. E. L. Price, C.I.E., O.B.E., M.L.A., representative of the Karachi Shippers of Hides.

Mr. Mahomed Rafique, M.L.A., representative of the Indian Shippers of Hides, Calcutta.

Mr. E. Wykes of Messrs. Cooper Allen and Company, representative of the Cawnpore Tanners.

Member-Secretary.

Mr. S. P. Shah, I.C.S., Director of Industries, United Provinces.

3. The Committee will assemble immediately at Calcutta to decide on its procedure. The Government of India consider that for

the purpose of local enquiries at important centres of the industry Sub-committees might be appointed, each Sub-committee consisting of the Chairman, two non-officials, namely one representative of the Tanners and one of the Shippers, and the Member-Secretary. But this question will be left to the decision of the Committee itself. The Committee is required to report to the Government of India at the earliest possible date.

4. Firms and persons interested who desire that their views should be considered by the Committee should apply to the Member-Secretary of the Committee, care of the Director General of Commercial Intelligence and Statistics, 1, Council House Street, Calcutta.

5. Local Governments and Administrations are asked to afford the Committee all the assistance and information which it may require.

Order.—Ordered that a copy of the above Resolution be communicated to all Local Governments and Administrations, all Departments of the Government of India, the Central Board of Revenue, the Director General of Commercial Intelligence and Statistics, the Indian Trade Commissioner, London, the Secretary, Tariff Board, His Majesty's Trade Commissioner in India, all Chambers, of Commerce, the Canadian Government Trade Commissioner in India, the Secretary, Imperial Council of Agricultural Research and the Chairman, Members and Member-Secretary of the Committee for information. Ordered also that it be published in the "Gazette of India."

(Sd). H. A. F. LINDSAY,

Joint Secretary to the Government of India.

46-H. C.|IIIE, dated 23rd October 1929, from the Hide Cess Enquiry Committee to Chamber.

I have the honour to enclose 6 copies of a questionnaire issued by the Hides Cess Enquiry Committee, appointed by the Government of India with the following terms of reference:—

"To enquire and report on—

(1) the articles on which a cess might suitably be imposed and the rate of cess on each article;

(2) the constitution and personnel of the committee which would administer such a cess; and

(3) the functions of the committee and the objects o which the cess might be expended."

I have to request that your replies (as far as possible eigh copies printed or typed on one side of paper only) may be sent t me at your earliest convenience. Below is a Schedule of the las dates and addresses by and at which you are requested to kindly sen your replies. The Committee regret that as the time during whic they have to cover the ground and submit their report is very shor it has not been found possible to give more time for replies to th quostionnaire.

Replies from	Last date	To be sent to me at
1. United Provinces.	3-11-1929	Circuit House, Canton ments, Cawnpore.
2. Bengal, Bihar and Orissa & Assam.	9-11-1929	1, Council House St Calcutta.
3. Rest of India including the States.	12-11-1929	1, Council House St Calcutta.

Along with your reply you will kindly state whether you or a representative of yours would be available for giving oral evidenc in the case the Committee should desire to take it. You will pleas let me know his name, designation and address. Travelling allowanc may be given to witnesses in accordance with the Government o India rules on this subject.

You need not answer questions relating to problems with whic you find you have no concern. It is however particularly requeste that facts and figures be extensively quoted in support of your view and statements. When views or facts are quoted a detailed referenc to the original source may be given. Any information you can sup ply on the following points will be highly appreciated:—

(1) production of hides and skins—both quantity and valu —in India or any other area with which you ar familiar,

(2) consumption of hides and skins by the village tanning industry,

(3) their consumption by the organised tanneries, whether regulated by the Indian Factories Act or not,

(4) railway freights to and from the ports and from the chief centres from which raw hides and skins are drawn and in particular any difficulties experienced in this connection,

(5) the extent to which reliance has to be placed on hides and skins imported from other provinces or countries, especially from Burma.

(6) the local manufacture of chemicals for chrome-tannage or the necessity to use imported materials.

(7) the tariffs on Indian hides and skins leather and manufactured leather goods in various countries, especially those possessing markets which apart from the tariffs are promising outlets for the products of the hides and skins industry as a whole.

Some spare copies are herewith enclosed. Also a list of the persons and bodies to whom a copy has been sent direct. It is requested that copies be supplied out of the spare lot to important persons and firms and bodies interested in the hides-skins trade, the tanning and leather-working industries and associated trades and industries. A list of the names of such persons and bodies may kindly be supplied to me so as to enable me to keep a record of those specially addressed.

The following centres will be visited by a sub-committee of the committee:—

4th to 9th November (both inclusive), Cawnpore.
11th to 15th November (both inclusive), Calcutta.
18th to 23rd November (both inclusive), Madras.
25th to 27th November (both inclusive), Trichinopoly.

29th to 30th November (both inclusive),

Bangalore. } Not definitely fixed yet.

2nd to 7th December (both inclusive), Bombay.

9th to 11th December (both inclusive), Karachi.

Witnesses appearing for oral evidence will be informed when and where to attend.

HIDES CESS ENQUIRY COMMITTEE.

Questionnaire.

I. Please give some details of your connection with the export trade or with the tanning industry in India. Have you any interest in any associated trade or industry?

II. Could the proceeds of a cess, in your opinion, be spent profitably for the benefit of the industry as a whole including (i) the export trade in hides and skins, and in tanned hides and skins, (ii) the tanning industry both for home needs and for export, and (iii) any associated trade or industry, etc?]

III. **Export Trade.**

(a) Quality of hides and skins.

Cattle diseases, pests, etc.

1. What are the defects found in Indian hides and skins due to cattle diseases and pests?

2. What action do you suggest for the removal of such defects?

Flaying.

3. What, in your opinion, are the defects in the methods of flaying?

4. What remedies do you suggest?

5. Do you consider that the appointment of flaying instructors and supervisors is likely to yield good results? How would you provide for the instruction of the village flayer?

6. Would you recommend the supply of flaying knives of an approved pattern to the village flayer? If so, on what lines would you organise the supply?

7. Do you consider that any improvement could be brought about in flaying in slaughter-houses? If so, what action do you recommend? What other action on the part of local bodies is, in your opinion, desirable?

8. Have you any information of the success or otherwise of any tried system of bonuses paid to slaughter-houses flayers for good flaying? Please add details of the system of which you have experience. Would such a system, in your opinion, be effective?

Curing and Preserving.

9. How does the system of curing and preserving in India differ from that followed in other countries?

10. What are the defects in the methods of curing or preserving hides and skins in India?

11. What remedies do you suggest for the removal of such defects?

12. In your opinion would the question of curing and preserving form a suitable subject for investigation and research at the expense of a cess fund?

13. Can you suggest any organised system for the supply of suitable curing or preserving materials in the villages?

Adulteration.

14. Do you consider that "adulteration" or "loading" exists in a serious form? What effect has it on (a) the export trade and (b) the tanning industry in India?

15. What action do you suggest in order to combat such practices?

Other Defects.

16. Are there any other defects in the quality of Indian hides and skins which could be removed? In what manner should action be taken to remove such defects?

17. Can you give some estimate of the percentage by which the value of Indian hides and skins taken as a whole (good, bad and indifferent) is reduced by the existing defects? Please indicate how you arrive at your estimate.

(b) Collection, Marketing, Export, etc.

18. What are the various stages in the trade in hides and skins from the point when the animal dies or is killed to the time of shipment from India or entry into a tannery in India?

19. Is there any scope for improvement at any point, e.g., in transport, railing, handling, grading, packing, shipping, etc.?

20. Do you consider that co-operative marketing by the producer is feasible? Please give your detailed suggestions. Has co-operative marketing been tried anywhere in India? If so, with what results?

21. Have you any remarks to make regarding the transport of raw hides and skins, tanned hides and skins, curing materials or tanning materials?

22. What is the system of grading of hides and skins (a) for sale to tanners in India, (b) for export?

23. Do you consider that the introduction of a system of standardisation and grading (a) for sale to tanners in India, (b) for export is feasible? If so, please give complete details of any scheme which you consider desirable. Has any such scheme been tried in other countries producing hides for internal consumption or for export? If so, with what results?

IV. Tanning and Allied Industries.

24. Do you consider that funds derived from a cess could be expended with benefit to the tanning industry in India on:—

(a) Research work in tanning, dyeing and finishing;

(b) The training of tanners, tannery foremen and leather chemists;

(c) Developing the supply and quality of Indian tanstuffs;

(d) Encouragement of various forms of the leather-working industry?

25. What facilities for research work in tanning and associated industries are already available in the area with which you are familiar?

26. Do you consider any expansion or modification of the existing facilities necessary? In particular are any special facilities required in Madras? If so, what special facilities do you suggest?

27. Do you think the various centres for technological investigation should specialise? If so, please suggest details of the work to be assigned to each and of a scheme for co-ordination and control.

28. What are the existing facilities for the training of tanners, tannery foremen and leather chemists in the area with which you are familiar?

29. If any expansion of these existing facilities is required, what methods do you recommend for the supply of trained tanners, etc.? How should the training be imparted to the rural tanner, both adult and adolescent?

30. Do you recommend the establishment of tanning schools and tanning demonstration parties? If so, give details of your suggestions?

31. By what means could the export trade in tanned hides and skins be improved? What are the present practices in the trade in the matter of grading? Do you consider any scheme of standardisation, grading and certification for export feasible? If so, what practical suggestions do you make?

32. What tanstuffs are locally available in the area with which you are familiar? How is the supply organised? Are any improvements needed? Are any other tanstuffs required? How should their supply be organised?

33. Please state your views as to the comparative merits of **cassia auriculata (averam or tarwar)** and wattle bark as tanning material. Do you think that the former can be made available in larger quantities and at cheaper rates? If so, in what manner?

V. Advertisement.

34. Do you consider that a portion of the cess funds should be applied to advertising for the benefit of the industry as a whole?

35. On what other objects, in addition to those indicated above, do you consider that funds from a cess should be expended for the benefit of the hides and skins trade, the tanning industry and any other associated industry? Please give details of the action necessary in each case.

VI. Costs of Schemes Proposed.

36. Please give estimates in some detail of the cost of each of the schemes which you have recommended, distinguishing between initial capital expenditure and annual recurring cost.

37. If funds for the schemes which you have proposed were to be obtained by means of a cess, how much money would it be necessary to raise annually?

38. What margin would you allow for expansion?

39. What principles would you suggest should be followed in the application of a cess? On what articles should the cess be levied and at what stage? Should it be levied both on the tanning industry and on the export trade? In the former case would you restrict it to tanneries regulated under the Indian Factories Act? Please give reasons for your proposals.

40. At what rate or rates should it be levied? How would India's position in the world's markets for raw hides, tanned hides and leather be affected by the imposition of a cess at the rate or rates which you have recommended?

41. Do you recommend that, in the first instance, the cess should be levied for a specified period? If so, for what period?

42. In the event of an export cess being recommended what form should it take? Would a specific rate be preferable to an **ad valorem** rate? Please give your reasons.

VII. Cess Committee.

43. Are you in favour of the formation of a Committee to administer the proceeds of any cess or cesses which may be imposed? What constitution do you recommend for such a Committee?

44. Which interests would you recognise as being entitled to representation and in what proportions? Who should nominate—the interests themselves or the Governor-General in Council on the recommendation of such interests?

45. Which interests (if any) should in your opinion be given representation on the Committee by statute, to what extent and in what form? As regards the other interests how in your opinion should they be given representation?

46. Should Local Governments as such be represented on the Committee? If so, should they be represented through the respective Directors of Industries or should the nomination of their representatives be left to them?

47. Should the Indian States be given any representation, and if so, to what extent and in what manner? Who should collect the cess in respect of exports from State ports and how should the proceeds be applied?

48. Are you in favour of giving separate representation to the institutions recognised for technological research? Would you give separate representation to the co-operative movement? If so, how?

49. Would you give the Committee the power to co-opt experts and others interested in the trade or the industry? If so, within what limits and subject to what conditions?

50. Should it have a Chairman **ex-officio**? If so, who should he be? Should it have a Member-Secretary or a mere (**i.e.**, non-Member) Secretary? What qualifications would you expect and what terms would you offer. Who should appoint the Secretary—the Committee or the Governor-General in Council? Should he be permanent and whole-time?

51. What functions should be assigned to the Committee? In particular, as regards improvements in flaying and curing, encouragement of the tanning industry in various ways, the commercial organisation of the trade, the collection of statistical and other information, etc., what should be the normal relations between the Committee and the Central and the Local Governments?

52. Through what agency should the Committee normally act? What executive and office do you recommend?

53. Should it have provincial and local sub-committees? If so, where? What should be their constitution and functions?

54. Do you consider that a special technologist would be necessary or that technological advice should be obtained from the technologists at Calcutta, Cawnpore, Madras, etc.?

55. Where should the Committee's headquarters be located? Should it have any branch at any other centre? If so, where and why?

Replies of the Committee of the Indian Merchants' Chamber to the Questionnaire.

Ques. 1: Hides:—Warbles and Pox.
Skins:—Monsoon defects, Pos, Pori Pori, Sores, Warbles, Mehru and Anthrax.

Q. 2: Propaganda for educating public opinion appears to be the only remedy.

Q. 3: There are deep knife-cuts which penetrate as far as the grain side of hides and skins, mostly in hides.

Q. 4. Flayers must be given training in their work, and a bonus of 2 to 4 annas per hide can be given to butchers for well-flayed hides. Such a bonus is being already given by Tanners in Bombay to people who flay hides in the Bandra and Kurla slaughterhouses. Municipal corporations may be perhaps induced to look to this and they may also adopt a system of licensing flayers.

Q. 5: The appointment of flaying Instructors and Supervisors is likely to yield good results. It will not be possible for the present to impart instruction to the village flayers.

Q. 6: The supply of flaying knives of an approved pattern is a step which may be recommended.

Q. 7 and 8: Vide reply to Ques. No. 4.

Q. 9: There has to be some difference between the system of curing and preserving in India and that followed in other countries owing to climatic conditions. In India curing is generally done to preserve the skin or hide either by rubbing powdered salt on the flesh-side or by simple drying the pelts.

Q. 10: Defects in the method of curing and preserving are in the nature of improper salting, over-salting, using cheap salts, etc. Care should be taken while drying the hide and skin that they are not exposed to the sun and are not placed on hot stones.

Q. 11: A plentiful supply of duty-free salt should be assured to all people dealing in hides and skins.

Q. 12: The question of curing and preserving is not so important as that of flaying and no money should therefore be spent from the proposed Cess fund for the purpose.

Q. 13: There should be public propaganda that hides and skins as soon as removed should be salted.

Q. 14 and 15: Adulteration is carried on to some extent and this may be left to be dealt with by the trade.

Q. 16: There are serious defects caused by branding of skins and hides and by the process called 'goading' of animals by sharp nails fixed to sticks. The branding is done generally by people in the mofussil when cattle fall ill. There being no veterinary help, these poor and ignorant people use branding as the only means either through superstition or as a sort of a quack remedy for giving relief to their cattle. It is true that such branding affects hides and skins very adversely, but owners of cattle would like to preserve their cattle even though the remedy adopted may rduce the quality of the hide or skin. Municipalities or the Police may be given the power of dealing with such cases in towns and cities, though with regard to the mofussil it is doubtful how far it will be possible to take any steps with regard to branding looking to the absence of any veterinary help.

With regard to goading, steps should be taken everywhere, as besides ruining the quality of the hide or skin it is a very cruel practice and inflicts needless torture on the animals.

Q. 17: About 25 to 30 per cent.

Q. 19: There is a great scope for improvement in transport, railing, handling, etc. The question of freight for hides and skins is very important. The freight for the transport of tanned hides and skins from Madras to Bombay was, before the War, Rs. 0-11-9 per Bengal Maund, while it is at present Rs. 2-9-4, showing thus a tremendous increase. These railway rates must be lowered from the producing centres to the tanneries. The wagons for the conveyance of hides and skins must be of a special type with wooden sides so as to be heat-proof.

Q. 20: Co-operative marketing is not feasible.

Q. 21: Vide reply to Ques. No. 19.

Q. 22 and 23: There is a system grading hides and skins which is in existence for a very long time. This system should be enforced, but my Committee do not think that any standardisation is possible in the case of hides and skins as it is in the case of cotton or other articles.

Q. 24: Cess funds should be utilised for all the work specified in this question.

Q. 25: There are no facilities for research work in this Presidency.

Q. 27: There should be a centre for research work in this Presidency. It should be self-contained. Research work should be carried out with regard to all the different processes re: tanning of hides and skins at that place, as it would not be practicable to send out any particular research problems to different Research Institutes in the country.

Q. 28: There are no existing facilities for training Tanners, tannery foremen, etc., in this Presidency.

Q. 30: My Committee recommend the establishment of tanning schools for the present. There is not a sufficient scope for men trained in such tanning schools as has been found with regard to people who studied in foreign countries and who on return here had been obliged to take up some other line as they could not get any employment where their study could be utilised. Tanning demonstration parties, however would prove suitable for Indian conditions and will, it is though, prove useful.

Q. 31: The export trade in tanned hides and skins can be improved by encouraging the tanning industry which is only possible by making it easier for the tanners to get large supplies of the raw stocks. Availability of these raw stocks, however, is dependant upon restriction of exports of raw skins and hides by means of a higher export duty. As regards grading the trade has got its own grading system and as mentioned before no scheme of standardisation is feasible at present. Madras tanners send their hides and skins to foreign markets on a c.i.f. basis, but Bombay tanners send their goods through shippers for being sold at public auctions held in London. They do not realise a satisfactory price in these public

auctions and it would be better if the Bombay tanners also send their consignments on a c.i.f. basis. If the goods are to be sent on a c.i.f. basis, it is necessary that there should be some arrangement made in London by which the interests of Indian tanners can be looked after in the way of arbitration etc. Perhaps the Indian Chamber of Commerce in Great Britain, London, may with the assistance of one or two tanners set up such a Committee of Arbitration to look after the interests of Indian tanners. The High Commissioner for India may also be requested to try his best to popularise Indian hides and skins as he has been doing with regard to Indian rice and such other commodities.

Q. 32: Avaram or Tarva is the most important tan stuff utilised in this Presidency.

Q. 33: Wattle-bark is useful as tanning material for soles, while Avaram is useful for uppers. Arrangements may be made with the Forest Department not to give leases with regard to Avaram at the same time and they should be asked to give encouragement for the growing of Avaram in the Forest tracts.

Q. 34: A portion of the Cess fund should be applied to advertising for the benefit of the industry as a whole. Such a publicity for a particular industry cannot be carried on by a particular individual firm but can only be done by the industry as a whole. The Tea industry has shown how such a publicity proved successful with regard to its development. In Western countries recently the Leather industry has been carrying on propaganda and advertisement against rubber and rexine, for instance.

Q. 35: My Committee may be allowed to mention that in addition to the necessity of having good flayers, there is also a necessity for people who are experts at taking away fleshings. Glue is made from these fleshings in Europe and sent back to this country. Research work can be carried on in this direction also.

Q. 39 to 42: The principle of levying a cess should be to encourage the development of the tanning industry and improving the quality and selection of the raw stuff. My Committee suggests that the Cess should be 10 per cent. **ad valorem** which should be levied in

addition to the export duty which should be increased to 10 per cent. from its present basis.

Q. 43 to 55: My Committee are in favour of the formation a Committee to administer the proceeds of any Cess or Cesses which may be imposed. The Committee should consist of 3 representatives of tanners, 1 representative of Chrome tanners, 2 representatives of tanned hides exporters, 2 representatives of raw hides exporters. Bombay tanners should also have their representation on the Committee. Details regarding election, etc. will be considered by my Committee later on if Government accept the constitution of such a Committee as proposed here. All the representatives should be elected by the interests concerned. The Chairman of the Committee should be elected from among members by the Committee and the Secretary, who should be a wholetime man, should also be appointed by the Committee. No separate representation is necessary for technological research institutes nor for the co-operative movement. The Committee however may, whenever they deem necessary, co-opt experts and others interested in the trade and industry. The Committee may look after all the different items referred in Ques. No. 24 and also in our reply to Ques. No. 35. In fact it should be their function to look after the development of the tanning industry. The Committee should act through the agency of Government, the Customs Department being entrusted with the work of realising the Cess. There should be Provincial Sub-Committees at the following places:—

Madras, Bombay, Calcutta, Karachi, Cawnpore and Lahore. These Sub-Committees should act as the agents of the Central Committee in the different centres and their constitution should be fully representative as in the case of the Central Committee. No special Technologist is necessary for the present, as technological advice can well be obtained from Technologists at Calcutta, Cawnpore, Madras, etc. The Headquarters of the Central Committee should be in Madras which is the principal place for the tanning industry.

No. 304, dated 11th February 1930, from Chamber to the Government of India, Commerce Department

The report of the Hide Cess Enquiry Committee will be submitted to Government shortly. Before Government come to any decision on the recommendations of the Committee, it is the opinion of my

Committee, that Government should give the commercial community an opportunity to express their opinion on the recommendations. Government will then have the benefit of the advice of the Commercial organisations in formulating their decision in the matter. I am therefore directed to request you that Government will be pleased to invite the opinion of commercial organisations on the recommendations of the Hide Cess Committee and will be guided in any action they may intend to take by the views expressed by them.

No. 75 T. (29) dated 28th February 1930. From the Government of India, Commerce Department to Chamber

I am directed to acknowledge the receipt of your letter No. 304, dated the 11th February 1930, on the above subject, and to say that the request made therein has been noted.

APPENDIX L

COMPANIES' TAX BY THE MADRAS MUNICIPALITIES.

No. 2421, dated 7th Noveber 1929, from the Chamber to the Southern India Chamber of Commerce, Madras.

Adverting to previous correspondence ending with your letter No. 920 of the 13th September 1929, my Committee are informed that a Bill to amend the Madras District Municipalities Act is now before the Madras Legislature and that it has been referred to a Select Committee. My Committee consider this to be the most opportune moment to urge on Government the necessity for removing the hardships involved by the levy of a Companies' Tax by the Madras Municipalities, and to take steps to get the Act amended accordingly. My Committee feel that you will have already moved in the matter and that your representative on the Legislative Council, who it is presumed will also be on the Select Committee, will use his good offices to effect the necessary amendment in the Bill. My Committee will be glad to be kept informed of the steps taken by you in the matter.

No. G.-1131, dated 14th November 1929, from the Southern India Chamber to Chamber.

I am to acknowledge the receipt of your letter No. 2421, dated the 5th inst. and to draw your attention to pages 33 and 62 of the amending Bill which I forwarded to you with my letter No. G-920, dated 23rd September 1929. Companies' tax under the present law is levied on the basis of the paid-up capital of companies transacting business within a given municipality, and there has been a great deal of heart-burning about this heavy and inequitable tax. But the amending bill proposes to substitute for it the new basis of income derived, accruing or arising within the municipality, and also provides against multiple taxation, which is really a distinct improvement on the present Act. The Bill is in the Select Committee stage and I shall be glad to know if you have any suggestions for suitable amendment.

No. 2681, dated 29th November 1929, from Chamber to the Southern India Chamber of Commerce, Madras.

I am directed to acknowledge receipt of your letter No. G-1131 of the 14th instant. In this connection I am to forward to you copies of correspondence exchanged by this office with the Government of Madras on the above subject, in 1926. My Committee find that the provisions in the Bill now before the Select Committee are practically identical with those communicated to us by the Government of Madras in their letter, dated 22nd December 1925. My Committee's views were communicated to the Government of Madras in this office letter dated 8th February 1926. The objections then advanced by my Committee to the increase in the scale of taxation and to the omission to define the word "income" still hold good. My Committee would therefore request you that your representative in the Madras Legislative Council be instructed to see the necessary amendments effected in the Bill on the lines of the views expressed by my Committee in their letter to the Madras Government.

No. 1184, dated 29th November 1929, from Southern India Chamber of Commerce to Chamber.

In continuation of my letter No. G.-1131, dated the 14th inst. I am to enquire whether your Committee have reached any conclu-

sions regarding the proposed amendments in the Madras District Municipalities and Local Boards Act for changing the basis of assessment from paid up capital to income accrued during each half year within a given Municipality.

This matter was discussed at a recent conference of representatives of this Chamber and the Madras Chamber (European) and there was general unanimity in agreeing that where the profits of any company's business in a particular area could not be ascertained, a sum of one-half per cent. of the total amount of turnover may be deemed to be profits for the purpose of local assessment. It was also the sense of the meeting that the maximum tax for the half year should be reduced to Rs. 250 in lieu of Rs. 470.

I shall be glad to know if your Committee have any different views on the question.

No. 2725, dated 5th December 1929, from Chamber to the Southern India Chamber of Commerce, Madras.

I am in receipt of your letter No. G.-1184, of the 29th November, which has obviously crossed my letter No. 2681 of the same date. You would have observed from my letter that my Committee had also suggested to Government in 1926 that the maximum half-yearly tax should be reduced to Rs. 250. My Committee would emphasise their objection regarding the omission to define the word "income." It should be made clear in the new Act that "income" means "profit" and not "sales."

No. G.-222, dated 17th March 1930, from the Southern India Chamber of Commerce to Chamber.

Further to my letter No. G-1184, dated the 29th November 1929, regarding the amendment Bills relating to Madras Local Boards and Municipal Councils, I am to send herewith the text of the amendment finally adopted by the Council in respect of taxation on companies and other businesses.

Assessment of the Profession Tax.

16 (1). The classes into which companies and persons shall, for the purposes assessment to the profession tax, be divided and the maximum half-yearly tax leviable on each class shall be as follows:-

Class	Half-yearly Income. Rs.			Maximum half-Yearly tax. Rs.
I	More than 21,000		—	275-0
II	„ 18,000	but not more than	21,000	225-0
III	„ 12,000	„	18,000	150-0
VI	„ 4,000	„	12,000	85-0
V	„ 6,000	„	9,000	55-0
IV	„ 9,000	„	6,000	28-0
VII	„ 3,000	„	4,200	20-0
VIII	„ 1,800	„	3,000	10-0
IX	„ 1,200	„	1,800	6-0
X	„ 600	„	1,200	3-0
XI	„ 300	„	600	1-8
XII	„ 150	„	300	0-8

17. A company or person shall be deemed to have transacted business or exercised a profession, art, or calling or held on appointment within a municipality if such company or person has an office or place of employment within such municipality.

18 (1). Where a company or person transacts business in any half-year exclusively in the area of a single municipality the income of such company or person from the transaction of such business shall, for the purpose of levying profession tax under this Act during the half-year, be deemed to be—

(a) where income-tax is assessed on such company or person under the Indian Income-tax Act, 1922, for the year comprising the half-year, one-half of the amount at which the profits and gains of such business are computed under Section 10 of the Indian Income-tax Act, 1922, for the purpose of assessing the income-tax; and

(b) where the amount of the said profits and gains is not ascertainable, or where such company or person is not assessed to Income-tax, such percentage as the Local Government may, subject to the approval of the Legislative Council, prescribe, of the turnover of the business transacted in the area of the municipality during the half-year or where this is also unascertainable, during the corresponding half-year of the previous year.

(2) Where a company or person transacts business partly in the area of a municipality and partly outside such area, the income of such company or person from the transaction of business in the area of the municipality, shall, for the purpose of levying profession tax under this Act, be deemed to be the percentage referred to in clause (b) of sub-rule (1) of the turnover of the business transacted in such area during the half-year or the corresponding half-year of the previous year as the case may be.

(3) For the purpose of clause (b) of sub-rule (1) and sub-rule (2) the turnover of business in any municipality means the aggregate money value of the goods produced, manufactured, purchased or sold or of any other business transacted in such municipality.

Explanation.—In determining the turnover of business under this sub-rule—

(a) Where the delivery of any goods on account of any purchase made by any company or person and the delivery on account of the sale thereof by the same company or person or both effected in the Presidency of Madras, only the latter transaction shall be taken into account;

(b) where the delivery of any goods on account of any purchase made by any company or person is effected in any place outside the said Presidency and the delivery on account of the sale thereof by the same company or person is effected in any place in the said Presidency, the latter transaction shall be taken into account; and

(c) where the delivery of any goods on account of any purchase made by any company or person is effected in anyplace in the said Presidency and the delivery on account of the sale thereof by the same company or person is effected in any place outside the said Presidency, the former transaction shall be taken into account."

APPENDIX LI

SCALE OF NON-AGRICULTURAL ASSESSMENT IN THE SUBURBS.

No. 2317, dated 21st October 1929, from Chamber to Government of Bombay, Revenue Department.

"The attention of the Committee of this Chamber has been drawn to the system of non-agricultural assessment which is in vogue

at present in the Bombay Suburban Division and other parts of the Presidency. The effects of this system are felt specially in the Bombay Suburban Division because of the development of the suburbs and the building activities going on consequently thereupon. This question was not included in the questionnaire of the Land Revenue Assessment Committee and no evidence was taken on the subject. The Revenue Department, however, had prepared for the use of that Committee a statement showing the existing law and practice in regard to non-agricultural assessments. It appears that this statement was received too late for consideration, in view of the fact that the report of that Committee was required during the life of the then Legislative Council. That Committee therefore proposed to "deal with the question in a supplementary report." So far as my Committee are aware no such supplementary report has been issued and the non-agricultural assessment policy is continuing to cause irritation and annoyance and injustice to the people and blocks the progress of suburban development. My Committee, beg therefore, to suggest that a small special committee be appointed by Government to inquire into this question and submit their report. They hope that this suggestion will be accepted by Government with a view to relieve the hardships which are being undergone at present and to remove the impediments from the way of the suburban development which is also essential in the interests of the health and sanitation of the city of Bombay."

No. 1790-B.24, dated 27th January 1930, from Government of Bombay, Revenue Department to Chamber.

In reply to your letter No. 2317, dated 21st October 1929 on the subject of non-agricultural assessment, I am to say that the whole of this subject has been examined in every detail in the last few years by Government and that orders were issued in 1928 after most prolonged and careful consideration. Government are satisfied that those orders, if properly applied, ought not to interfere with suburban development, and consequently regret that they are unable to accept the proposal of the Committee of the Indian Merchants' Chamber to appoint a special committee to do the work over again.

2. I am to add for the information of your Chamber that the Bombay Suburban Division enjoys special concessions as regards non-

agricultural assessment which are given nowhere else in the Presidency.

APPENDIX LII.

REFUND OF INCOME-TAX ON DIVIDENDS DERIVED PARTLY FROM NON-TAXABLE SOURCES UNDER SECTIONS 20 AND 48 OF THE INCOME-TAX ACT.

No. Dis. 107-i-I. T.|28 dated 26th January 1929, from the Central Board of Revenue to Chamber.

As the Indian Merchants' Chamber of Commerce is aware difficulties have from time to time arisen in connection with refunds under section 48 of the Indian Income-tax Act, XI of 1922, in respect of dividends derived in part from non-taxable sources. In order to obviate the difficulties experienced at that time Rule 14 of the Indian Income-tax Rules, 1922, was amended in 1927 so as to require the principal officer of a company to certify merely either that the entire profits had been or would be taxed, or that so much of the profits as was liable to Indian income-tax had been or would be taxed. At the same time Commissioners of Income-tax received instructions, in the hope that delays in dealing with claims to refunds from share-holders would thereby be reduced to a minimum, that as soon as the Income-tax Officer concerned had completed the assessment of a Company issuing a certificate in the second form, he should at once report the proportion of its profits derived from non-taxable sources to the Commissioner of Income-tax who would communicate it to all his own Income-tax Officers and to all other Commissioners of Income-tax, each Commissioner, in turn, passing on the information to the officers in his own province.

2. Unfortunately the object with which this procedure was instituted has not been secured. In practice it has not been found possible to complete all the assessments of Companies, which certify that only a part of their profits has paid or will pay tax, within a reasonably early date, and refunds to shareholders have been delayed for periods which have rendered the Income-tax Department liable to considerable criticism and which have led to frequent and increasing complaints.

3. The Board, after full consideration of the present position and discussing the matter with various Chambers of Commerce on several occasions, has decided that the following arrangement should be introduced as an experimental measure:—

(i) The present form of certificate attached to Rule 14 "that income-tax

(a) **on the entire**

(b) **on such part as is liable to be charged to Indian income-tax of the**

profits and gains of the company, of which this dividend forms part, has been or will be duly paid . . . . . ." will be retained.

(ii) Companies will be advised, not ordered, by Commissioners to add below the certificate, in cases where form (b) is used, a statement, where possible, to the following effect—"The Company has calculated that————————per cent of the above dividend has been or will be charged to Indian Income-tax", or where this is not possible as in the case of some interim dividends, or where the companies so prefer, to issue a circular to this effect. In the latter case, Companies will also be advised to mark the circulars conspicuously with the recommendation to shareholders that the circular should be attached to the certificate when the latter is submitted to the Income-tax Officer in connection with a claim for a refund. If the information mentioned above is not given by the Companies the shareholder must await the result of the assessment of the Company before receiving any refund due to him. But in such cases, which they will doubtless be able to ascertain, Commissioners have been instructed to arrange for the early assessment of the Companies concerned, so far as this is possible.

(iii) Such certificates will normally be accepted without question by Income-tax Officers for the purpose of granting refunds. But the Commissioners have been instructed that, if the certificates granted by any Company should be found to be unfair to the Revenue by a margin exceeding,, say, five per cent., that Company's certificates should not be accepted as correct in future and that the result of the actual assessment of the Company should be awaited before refunds on its dividends are granted. In extreme cases, moreover, it might

be necessary to review, under Section 33, any refunds granted, but it is hoped that such cases will be rare. The decision not to accept a Company's certificates as correct will vest in the Commissioners of Income-tax who have been requested to report any such cases to the Central Board of Revenue.

(iv) It is anticipated that, as a general rule, Companies will find no difficulty in calculating the percentage. If, however, such difficulty should be experienced by a Company, the Income-tax Officer concerned will be ready to give all the assistance possible, if requested to do so.

4. The working of the procedure now adopted will be watched closely by Commissioners who have been requested to submit reports on its results in March 1930. The Board trusts that the elasticity of the arrangement will ensure its success and hopes that the Companies which are members of your Chamber will be ready to assist in its object.

No. 570 dated 6th March 1929, from Chamber to the Central Board of Revenue.

In reply to your R. Dis. No. 107-i. I. T.|28, date 26th January 1929, I am directed to inform you that my Committee have no objection to the new procedure outlined therein in connection with refund of income-tax of dividends derived in part from non-taxable sources, in view of the fact that Government promise to reconsider the whole position in 1930.

APPENDIX LIII.

EXEMPTION OF BROKERS AND COMMISSION AGENTS FROM SECTION 42 OF THE INCOME-TAX ACT.

No. 1234 dated 4th June 1929, from Chamber to Central Board of Revenue.

I am directed by the Committee of this Chamber to address Government regarding some amendments in the Indian Income-tax Act as follows:—

The attention of my Committee has been repeatedly drawn in recent times to the great deal of hardship caused to **bona-fide** brokers and commission agents by the interpretation put on the term "Agent" in Section 42 of the Indian Income Tax Act. They are convinced that the way in which the term "Agent" is being construed by the authorities under the Section is productive of grave injustice to such parties. Many innocent commission agents and brokers are forced under threat of penalty to pay income-tax for non-residents on the ground that they are their agents, while as a matter of fact they are not. My Committee understand that under the English Act, brokers and commission agents are specifically exempted for non-resident principals. Even the Indian Income Tax Act does not provide for such assessment unless the agency is proved, but in practice the Income-tax authorities without proving the agency assess the brokers and commission agents. My Committee are emphatically of opinion that this is contrary to the spirit of the Section, and the commercial community have a genuine grievance against the authorities in this regard. They, therefore, request Government to be pleased to specifically exempt brokers and commission agents from the operation of Section 42 of the Indian Income Tax Act.

No. D. Dis. No. 469-I. T.|29, dated 14th June 1929, from the Central Board of Revenue to Chamber.

I am directed to acknowledge receipt of your letter quoted above and to reply as below:—

Executive instructions have recently been issued in the Income-tax Manual to the effect that non-residents should be taxed through agents only in those cases in which the relation between the resident agent and the non-resident principal is such that the principal may reasonably be held to be trading **in the country** and not merely **with the country.** I enclose herewith, for the information of your Chamber, a copy of relevant extract from paragraph 84 of the Income-tax Manual as revised. It will be observed that these instructions secure the result that your Chamber have in view.

2. I am also directed to say that the Central Board of Revenue has no information to the effect that Income-tax Officers in Bombay have acted otherwise than in accordance with the instructions.

referred to above; and that, if in a particular case an assessee feels that he is being treated otherwise than in accordance with the above instructions, he should approach the Commissioner of Income-tax and, if dissatisfied with his orders, the Central Board of Revenue.

Copy of an extract from paragraph 84 of the Income-tax Manual.

(3) Indian agents of non-resident firms of which they are not technically either branches or subsidiary firms are liable for the payment, on account of their principals, of the tax on their principals' Indian profits under the provisions of sections 42(1) and 43 of the Act. It will be observed that these provisions permit the levy of the tax on a non-residents' business not only where he has established a regular **agency** in India but also where he conducts his business regularly through a particular **agent** or casually through various **agents.** In this case it is not necessary that anything of the nature of a regular **agency** should exist in order to make the profits of a non-resident chargeable in the name of an agent. They are so chargeable even when the only connection between the non-resident and the person acting as his agent is that that person is ordinarily and regularly employed as an agent by the non-resident. The Government of India do not, however, desire that in practice the liability to assessment should be enforced except where something definitely of the nature of an agency exists and in particular no attempt should be made to tax the profits of a **consignment business pure and simple,** merely because the non-resident consignor habitually uses a particular resident as his agent.

In all cases it will be a question of fact whether the connection between the non-resident and the resident is such that an agency can be held to exist.

"Agency" for the purposes of this section should be interpreted to mean a regular, not casual, agent and one whose relation to the non-resident principal is such that the principal may reasonably be held to be trading "in the country" and not merely "with the country." If, for example, there is no privity of contract between a foreign principal and a resident who purchases the foreign principal's products through another resident or if the resident vendor has to bear any bad debts arising out of such transactions, the resident vendor is not to be treated as the agent of the non-resident.

APPENDIX LIV.

SET OFF OF LOSSES IN BUSINESS IN ANY ONE YEAR AGAINST PROFITS OF SIX SUBSEQUENT YEARS.

No. 1233, dated 4th June 1929 from Chamber to the Central Board of Revenue.

I am directed by the Committee of this Chamber to address Government regarding the necessity for provision in the Income-tax Act for allowing a set off for losses sustained in any one year against profits of six subsequent years.

The Government cannot be unaware of the fact that both the European and Indian commercial communities have been pressing for this amendment in the Indian Income-tax Act for the last so many years. Even the Indian Taxation Enquiry Committee have accepted the principle of this set off. I am, therefore, directed to request Government to be pleased to make the necessary provision in the Act at an early date so as to allow set off for losses sustained in any one year against profits of six subsequent years.

C. No. 148-I.T.|29, dated 12th July 1929, from the Central Board of Revenue to Chamber.

I am directed to acknowledge the receipt of your letter quoted above and to say that the Government of India have noted the recommendation of your Chamber.

III.—TRADE AND INDUSTRIAL LEGISLATION.

APPENDIX LV.

THE PUBLIC SAFETY BILL.

A Bill to check the dissemination in British India from other countries of certain forms of propaganda.

Whereas it is expedient in the interests of public safety to check the dissemination in British India from other countries of certain forms of propaganda, and for this purpose to provide for the removal of certain persons from British India and for the seizure or control of

money or other valuables in certain cases; it is hereby enacted as follows:—

1. (1) This Act may be called the Public Safety Act, 192 .

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall be in force for a period of five years.

2. In this Act, unless there is anything repugnant in the subject or context,—

(i) "excepted persons" means any person who is—

(a) an Indian British subject, or

(b) a British subject ordinarily resident in India, or

(c) the subject of a State in India;

and a person shall be deemed to be "ordinarily resident" in India who, for a period of not less than five years immediately preceding the date on which the question of the application to him of this Act arises,—

(a) has regularly resided or maintained a residence in India, or

(b) has carried on any trade, business or profession, or held any office or employment, in India and for the purposes thereof has resided in India at regular intervals during that period;

(ii) "order of forfeiture" means an order made under clause (i) of section 4;

(iii) "person to whom this Act applies" means any person (not being an excepted person) who—

(a) directly or indirectly advocates the overthrow by force or violence of the government established by law in British India, or the unlawful destruction of property, or unlawful interference with the ownership of property; or

(b) seeks to foment or utilise industrial or agrarian disputes or other disputes of a like nature with the direct object of subverting organised government in British India or with any object the attainment of which is intended to conduce to that result; or

(c) is a member of, or is acting in association with, any society or organisation, whether in British India or elsewhere, which advocates or encourages any such doctrine or activity as is described in sub-clause (a) or sub-clause (b) of this clause, or which is affiliated to, or connected with, any such society or organisation;

(iv) "prohibition order" means an order made under clause (ii) of section 4; and

(v) "removal order" means an order made under-section 3.

Removal from British India.

3. (1) If the Governor General in Council is satisfied that any person is a person to whom this Act applies, he may, by order in writing, direct such person to remove himself from British India within such time and in such manner and by such route and means as may be specified in the order and not to return thereto without the permission in writing of the Governor General in Council.

(2) A removal order may further direct the person in respect of whom it is made to appear, within such time as may be specified in the order, before any Presidency or District Magistrate so specified and execute a bond, with or without sureties, containing such conditions to ensure his good behaviour pending his departure from British India as may be specified in the order.

Seizure or control of monies, etc.

4. If the Governor General in Council has reason to believe—

(a) that any monies, securities, goods or credits have been or are about to be transmitted from any place outside British India to any place in British India by or on behalf of any such person as is described in sub-clause (a), sub-clause (b) or sub-clause (c) of clause (iii) of section 2 or by or on behalf of any society or organisation such as is described in sub-clause (c) of that clause, or

(b) that any monies, securities, goods or credits, or the sale proceeds of any securities or goods, are intend-

ed to be applied in British India in accordance with any directions or instructions given from outside British India by any such person, society or organisation as aforesaid,

he may, by order in writing,—

(i) declare any such monies, securities or goods to be forfeited to His Majesty or, if they have not been brought into British India, that they shall be so forfeited on being brought therein, or

(ii) prohibit any person to whom any such monies, securities, goods or credits have been or are about to be transmitted, or with whom they may have been or are about to be deposited or established, or in whose possession they may be, from paying, transferring or otherwise dealing in any manner whatsoever with the same, save under and in accordance with the conditions of a licence in writing from the Governor General in Council in that behalf.

Execution of orders.

5. (1) A removal order or order of forfeiture, or a copy thereof, may be directed for execution to any officer of Government or may be directed to any Local Government and executed by any officer to whom it or a copy of it may be endorsed by the Local Government for execution.

(2) A removal order or prohibition order may be served on the person in respect of whom it is made in the manner provided in the Code of Criminal Procedure, 1898, for service of a summons, and upon such service such person shall be deemed to have had notice thereof.

(3) The Governor General in Council or any Local Government to which a removal order or an order of forfeiture has been directed, or any officer to whom such order has been directed or endorsed for execution under sub-section (1), may use any and every means necessary to enforce compliance with the order.

(4) In particular and without prejudice to the generality of the foregoing power, any officer executing an order of forfeiture may,

with such assistance as he may require, enter upon, and search for any monies, securities or goods referred to in the order in any premises where they or any of them may reasonably be suspected to be, and may seize the same wherever they may be found.

Provided that the order of forfeiture, or the copy of it, as the case may be, shall first be shown to the person whom there is reason to believe to be in possession of the monies, securities or goods, and to the owner of the premises in which search is to be made, if such person or owner so requests.

(5) Where the person to be served with any order under this section is a corporation, company, bank or association of persons, the order or requisition may be served on any secretary, director or other officer or person concerned with the management thereof by leaving it or sending it by post addressed to the corporation, company, bank or association at its registered office or, if there is no registered office, at the place where it carries on business.

(6) All charges and expenses incidental to the removal from British India of any person in respect of whom a removal order has been made and of his dependants, if any, and to his or their conveyance to such place outside British India as the Governor General in Council may direct, shall be borne by the Governor General in Council

Applications and appeals.

6. The High Court may, on application made by or on behalf of any person in respect of whom a removal order has been made, set aside the order on the ground that such person is an excepted person, but on no other ground.

7. (1) Any person in respect of whom a removal order has been made may, within seven days from the service upon him of the order, appeal against the order to the Governor General in Council on the ground that he is not a person such as is described in sub-clause (a), sub-clause (b), or sub-clause (c) of clause (iii) of section 2.

(2) On receipt of the appeal, the Governor General in Council shall appoint for the hearing of the appeal a Bench consisting of three persons, each of whom has exercised for not less than five years the

powers of a Sessions Judge, and shall lay before the Bench all the material facts and circumstances in his possession or knowledge upon which the removal order is based.

(3) The Bench shall sit at such time and place and shall follow such procedure as the Governor General in Council may in each case direct, and shall consider the facts and circumstances laid before it by the Governor General in Council and report to the Governor General in Council whether or not in its opinion the appeal should be allowed on the ground specified in sub-section (1).

(4) If the Bench reports that the appeal should be allowed on the above-mentioned ground and that the order should be cancelled, the Governor General in Council shall forthwith cancel the order.

(5) The person appealing against the removal order shall be given an opportunity to attend before the Bench in person or by pleader and show cause against the making of the order, and for this purpose the Bench shall, if he so attends, furnish him with a general statement of the grounds on which the removal order was based, but neither he nor any pleader appearing on his behalf shall be entitled to be made acquainted with any details or particulars of the facts or circumstances laid before the Bench by the Governor General in Council, and the Bench shall treat all such facts and circumstances as confidential.

(6) The Governor General in Council shall extend the time specified in the removal order by such period, if any, as may be necessary to enable the appeal to be heard and final orders to be passed thereon.

8. (1) Any person having a direct interest in any monies, securities, goods, or credits in respect of which an order of forfeiture or a prohibition order has been made may, within fifteen days from the date on which the order is first served, whether on him or on any other person, appeal to the Governor General in Council on the ground that there is not sufficient reason to believe that the monies, securities, goods or credits have been or are about to be transmitted or are intended to be applied in any manner described in clause (a) or clause (b) of section 4.

(2) On receipt of the appeal, the Governor General in Council shall, if he is satisfied that the appellant has such direct interest as aforesaid, appoint for the hearing thereof a Bench constituted as provided in sub-section (2) of secution 7, and the provisions of that section shall apply for the purposes of the appeal in like manner as they apply for the purposes of that section, and, subject to the provisions of that section as regards the confidential character of the facts and circumstances laid before the Bench by the Governor General in Council, the appellant shall be given an opportunity of attending and, if he does so, shall be entitled to be furnished with a general statement of the grounds on which the order under appeal was based.

(3) If the Bench reports that the appeal should be allowed on any ground specified in sub-section (1) and that the order should be cancelled, the Governor General in Council shall forthwith cancel the order.

Requisition of Information.

9. (1) The Governor General in Council may require any bank or other person to furnish such information as the Governor General in Council may deem necessary for the furtherance of the purposes of section 4, and such bank or person shall thereupon be bound to furnish the required information if and so far as it is in its or his possession.

(2) A requisition under this section shall be served in the manner provided in this Act for the service of a prohibition order.

Penalties.

10. If any person in respect of whom a removal order or a prohibition order has been made knowingly disobeys any direction contained in such order, or if any person who has entered into a bond in pursuance of a removal order knowingly violates the conditions of any such bond, he shall be liable to be arrested without warrant, and shall be punishable with imprisonment which may extend to one year and shall also be liable to fine.

11. If any person fails to comply to the best of his ability with a requisition made upon him under section 9, he shall be punishable with imprisonment which may extend to three months, or with fine which may extend to two thousand rupees, or with both.

12. Where a person contravening or otherwise failing to comply with a prohibition order or failing to comply with a requisition made under section 9 is a corporation, company, bank or association of persons, any secretary, director or other officer or person concerned with the management thereof shall be punishable as provided in section 10 or section 11, as the case may be, unless he proves that the offence was committed without his knowledge or without his consent.

13. (1) If any person who has been directed by a removal order to appear before a Magistrate and execute a bond for his good behaviour fails within the time specified in the order to appear before such Magistrate, or refuses to execute such bond, or fails to provide to the satisfaction of the Magistrate any sureties which he may be required by or under the order to provide, he may be committed to and kept in such custody as the Governor General in Council or the Local Government may direct pending his removal from British India.

(2) A bond taken under this Act shall be deemed to be a bond taken under the Code of Criminal Procedure 1898, and the provisions of section 514 of that Code shall apply accordingly.

Miscellaneous

14. No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence under this Act, and no Court shall take cognisance of such an offence save upon complaint made by order of, or under authority from, the Governor General in Council.

15. (1) If the fulfilment by any person of any contract or other legal obligation is interfered with by the execution of any order made under this Act or by the necessity on the part of himself or any other person of complying with any such order or with a requisition under section 9, that execution or that necessity, as the case may be, shall be a good defence to any action or proceedings taken against that person in respect of the non-fulfilment of the contract or other legal obligation, in so far as it is due to such interference.

(2) Save as expressly provided in this Act, no removal order, no order of forfeiture, and no prohibition order shall be called in ques-

tion in any Court or by or before any other authority whatsoever, and nothing in section 491 of the Code of Criminal Procedure, 1898, shall apply to any person in respect of whom any such order has been made.

(3) No prosecution or other legal proceeding whatsoever shall lie against any person in respect of anything in good faith done or intended to be done under this Act.

STATEMENT OF OBJECTS AND REASONS.

Evidence has accumulated for some time past of the subversive intentions and activities of the Communist International generally, and in particular of the efforts it is directing against India. The general policy of the Communist movement is to rouse a spirit of discontent and lawlessness in the masses, whether industrial or agricultural, with the ultimate object of destroying by violence both the government established by law and the present economic organization of society, and substituting what they describe as the dictatorship of the proletariat. For the promotion of this movement, in India as in other countries, the Communists depend largely on the work of propagandists who are despatched to the country for the purpose of forming organisations intended to promote and spread communistic ideas and doctrines, and of creating general unrest among the masses. It is not reasonable that these agents of communism, if they happen to obtain entrance into India, should be allowed to stay in India with the object of undermining the whole structure of the life of the community. There is also evidence to show that bodies under the control or influence of the Communist International have been remitting sums of money in aid of the various industrial disputes recently in progress in India, disputes which, whatever may be their economic basis, have undoubtedly been fomented by communist agents. These remittances are made not from any legitimate interest in the merits of an industrial dispute but with a view to promoting the preliminary stages of the revolution to which such bodies look forward. Government have no desire to interfere to the detriment of men who are engaged in a legitimate industrial dispute with their employers, but it is manifest that a foreign organisation should not be permitted to support such movements with the ultimate object of promoting revolution. There is also reason to believe that money is remitted from

communistic sources for the support of agents now in India and in aid of certain journals which preach the doctrines of communism. The Bill is designed to provide power to remove agents of communism who obtain entrance into India provided that they are not Indian British subjects or British subjects ordinarily resident in India or subjects of a State in India, and to forfeit or control the expenditure of funds remitted by communistic sources outside British India or intended to be applied in accordance with instructions from such sources.

25th January 1929.

J. CRERAR.

Telegram dated 2nd February 1929, from the Chamber to Sir Purshotamdas Thakurdas, representative of the Chamber in the Legislative Assembly.

"Committee Indian Merchants' Chamber fully realise the gravity of foreign Communist menace and appreciate Government's anxiety to deal with it. They would be prepared to support Government in all legitimate measures for achieving that end. Committee, however, regret they cannot support present bill as it stands because it deals only with foreign Communists and because it contains provisions which are too drastic and arbitrary. Committee would welcome any special measure dealing comprehensively with fomentors of industrial disorder and providing reasonable safeguards against arbitrary curtailment of liberty of subject.—Inchambu."

APPENDICES LVI & LVII.

BILL FOR MAKING THE OFFENCE OF CRIMINAL INTIMIDATION COGNIZABLE IN TIMES OF EMERGENCY.

Bill No. XX of 1929.

Whereas it is expedient to take power to enable the police to deal effectively with the offence of criminal intimidation in certain areas of the Bombay Presidency;

And whereas the previous sanction of the Governor General required by sub-section (3) of section 80-A of the Government of India Act has been obtained for the passing of this Act;

It is hereby enacted as follows:—

1. (1) This Act may be called the Bombay Prevention of Intimidation Act, 1929.

(2) It extends to the Presidency Area.

(3) This section and sections 2 and 3 shall come into operations forthwith; section 4 shall come into force on the date or dates on which a state of emergency is declared to exist by notification under section 3, and shall continue to be in operation for the period specified in such notification or, if no period is therein specified, until such notification is cancelled by the Local Government.

2. In this Act, unless there is anything repugnant in the subject or context,

(a) "Presidency Area" means the City of Bombay, the Bombay Suburban District and any other area adjacent to the City of Bombay or the Bombay Suburban District which the Local Government may, by notification in the **"Bombay Government Gazette"**, include for the purpose of this Act within the Presidency Area;

(b) "Criminal Intimidation" has the meaning assigned to it by section 503 of the Indian Penal Code.

3. The Local Government, if satisfied that the public tranquillity in the Presidency Area or any part thereof is endangered by the prevalence of intimidation, may, at any time by notification in the **"Bombay Government Gazette"** declare that a state of emergency exists and shall set forth the reasons for such declaration in the notification.

4. Notwithstanding anything contained in the Second Schedule to the Code of Criminal Procedure, 1898, the offence of criminal intimidation shall be a cognizable offence as defined in that Act and the rest of the provisions of that Act shall have effect accordingly.

Statement of Objects and Reasons.

It has been found that intimidation is very commonly practised in times of excitement in Bombay City and its neighbourhood and that the Police cannot deal effectively with it under the existing law since the offence of criminal intimidation is not cognizable. It is necessary

that the powers of the Police should be increased in times of emergency in those areas. The Bill, therefore, provides that the offence of criminal intimidation shall at such times be made cognizable by a notification which can be cancelled when the emergency has passed away.

(Sd.) J. E. B. HOTSON.

BILL FOR SAFEGUARDING LIFE AND PROPERTY IN THE PRESIDENCY AREA IN TIMES OF EMERGENCY. Bill No. XXI of 1929.

Whereas it is expedient to make provision in manner hereinafter appearing for the safeguarding of life and property in the Presidency Area in times of emergency;

And whereas the previous sanction of the Governor General required by sub-section (3) of section 80A of the Government of India Act has been obtained for the passing of this Act;

It is hereby enacted as follows:—

1. This Act may be called the Presidency Area (Emergency) Security Act, 1929.

2. (1) This Act shall extend to the whole of the Presidency of Bombay.

(2) Section 5 shall come into force on the date or dates on which a state of emergency is declared under section 4 and shall continue in force for three months from such date or dates. The rest of the Act shall come into force at once.

3. In this Act, unless there is anything repugnant in the subject or context,—

"Presidency Area" means the City of Bombay together with

(i) the Bombay Suburban District, and

(ii) any other area adjacent to the City of Bombay or the Bombay Suburban District which the Local Government may, by notification in the "Bombay Government Gazette," include within this definition.

4. The Local Government, if satisfied that the public tranquillity and security of life and property in the Presidency Area or any part thereof are endangered, may at any time, by notification in

the "Bombay Government Gazette," declare that a state of emergency exists and shall set forth the reasons for such declaration in the notification.

5. (1) Whenever the Commissioner of Police or District Magistrate exercising jurisdiction in the Presidency Area is satisfied that any person within his jurisdiction is committnig or has committed or is likely to commit or is assisting or abetting the commission of

(a) a non-bailable offence against any person or property, or

(b) the offence of criminal intimidation, or

(c) any offence involving a breach of the peace,

so as to be a danger to or cause or be likely to cause alarm to the inhabitants of the Presidency Area or any section thereof, the Commissioner of Police or the District Magistrate, as the case may be, may, subject to the control of the Local Government, by written order direct such person to remove himself from the Presidency Area within such time and by such route as may be specified in the order and not to return thereto for a period (not exceeding one year) to be specified in the order without the written permission of the Commissioner of Police or the District Magistrate, as the case may be.

(2) An order under sub-section (1) against any person may, unless the Commissioner of Police or the District Magistrate, as the case may be, is satisfied in respect of such person that both he and his father were born in the Presidency of Bombay or that he is a member of a family which has settled in the Presidency of Bombay and is himself so settled, direct that such person shall remove himself from the Presidency of Bombay within such time and by such route as may be specified in the order and shall not return thereto for a period (not exceeding one year) to be specified in the order save with the written permission of the Commissioner of Police or the District Magistrate, as the case may be.

(3) An order under sub-section (1) shall be served personally on the person against whom it is directed in such manner as the authority making the order thinks fit.

6. (1) Before making an order under section 5 the Commissioner of Police or the District Magistrate, as the case may be,

shall give an opportunity to the person against whom the order is proposed to be made to show cause against the order, and shall consider such representation as he may make verbally or in writing.

(2) Within forty-eight hours from the making of an order under section 5 the Commissioner of Police or the District Magistrate, as the case may be, shall forward in writing to the Local Government his reasons for making the order.

7. When by an order under section 5 any person has been directed to remove himself from the Presidency of Bombay and has complied with the order, or when any person has been removed in police custody outside the Presidency of Bombay under section 9, the Commissioner of Police or the District Magistrate, as the case may be, may, of his own motion or upon application made to him in this behalf, if he is satisfied that both such person and the father of such person were born in the Presidency of Bombay or that such person is a member of a family which has definitely settled in the Presidency of Bombay and is himself so settled, modify the order in such manner as to permit such person to return to and remain in any part of the Presidency of Bombay outside the Presidency Area.

8. When an order has been served on any person under section 5 and has been complied with by him, his agent authorised by him in writing may petition the Local Government to revoke or modify the order and thereupon the Local Government shall consider such facts and circumstances relating to the case as may be placed before it, and may confirm, modify or revoke the order.

9. Any person who, having been directed by an order made and served on him under section 5—

(a) to remove himself from the Presidency Area or from the Presidency of Bombay, fails to remove himself therefrom within the time specified in the order,

(b) not to return to the Presidency Area or the Presidency of Bombay within a specified period, returns thereto within such period without the written permission of the Commissioner of Police or the District Magistrate, as the case may be,

may be arrested without a warrant by any police officer, and—

(i) may be removed in police custody outside the Presidency Area or the Presidency of Bombay, as the case may be, or

(ii) on conviction before a Presidency Magistrate or a Magistrate of the first class, may be punished with rigorous imprisonment for a term which may extend to one year.

10.No suit, prosecution or other legal proceeding whatever shall lie against any person in respect of anything which is, in good faith, done or intended to be done under this Act.

Statement of Objects and Reasons.

During the riots in Bombay City in February and May 1929 most of the casualties were due to sudden and sporadic attacks by hooligans on unwary persons whom they met on roads and in bye-lanes. It was found that the powers conferred under Chapter VIII of the Criminal Procedure Code and under the Bombay City Police Act of 1902 were inadequate to allow the authorities to deal promptly with a state of extreme emergency such as existed on those two occasions. The experience then gained showed that a summary remedy is required by which bad characters, who engage in the commission or abetment of offences so as to be a danger or a cause of alarm to peaceful citizens, can be removed from the Presidency Area. It is, therefore, proposed to pass a Bill to enable Government promptly and adequately to deal with any similar emergency which may arise in future.

2. The Bill is entirely based on Bengal Act III of 1926, which was passed by the Bengal Legislative Council in consequence of riots in Calcutta similar to those which occurred in Bombay. Under clause 4, if the Local Government is satisfied that a serious situation has arisen or is apprehended in the Presidency Area or any part thereof, it may declare that a state of emergency exists in such area. Thereupon, the Commissioner of Police in the City of Bombay and the District Magistrate elsewhere, if satisfied that any person within his jurisdiction is concerned in the commission or abetment of offences of the nature described in clause 5(1) so as to be a danger to or to cause alarm to the inhabitants, may direct such person to remove

himself from such area and not to return thereto for a period not exceeding one year without the written permission of that officer. Clause 6 provides that such person shall be given an opportunity to show cause why the order should not be made and that within forty-eight hours from the making of such order the officer concerned shall forward in writing to the Local Government his reasons for making the order. Clause 8 gives a right of appeal to the Local Government against an order under clause 5. The provisions of the Bill are limited to the Presidency Area and to a state of emergency, and under clause 2 (2), the provisions of clause 5 continue in force for three months only from the date of the notification under clause 4.

(Sd.) J. E. B. HOTSON.

No. 1738, dated 3rd August 1929, from Chamber to Mr. Lalji Naranji, representative of the Chamber in the Bombay Legislative Council.

I am directed by the Committee of the Chamber to write this letter to you.

Both the Bills at present before the Bombay Legislative Council relating to the present situation in the City have been considered by the Committee very carefully. You know that the first Bill, viz., the one to make the offence of criminal intimidation cognizable in times of emergency has been fully approved, as the Committee are committed to the principle underlying it. The duration of the Bill is however proposed to be restricted to three years and you will kindly take steps accordingly.

With regard to the second Bill, viz., the one for safeguarding life and property in the Presidency area in times of emergency, the Committee approve of the principles under-lying the same. They however suggest to you that you should move for a reference of this Bill to a Select Committee with instructions to report at the next session of the Council, which will be sometime in September or October. The Council must assure Government that, if in the meanwhile a state of emergency arises during these two months, they will support Government in any action they may take in the form of an Ordinance based upon this Bill.

Supposing this proposal is not accepted, you will kindly move that the duration of the Bill should be for only one year.

With regard to the details, the Committee have the following suggestions to make:

(1) Section 3: The word "only" should be inserted before the words "the City of Bombay" in the 3rd line of the section.

(2) Section 5 (1): The words "likely to commit" in the 5th line of this section should be deleted.

(3) Section 5 (2): In place of the words "not exceeding one year" placed in paranthesis in the 11th line of this sub-section the words "order for deportation cannot be for more than three months subject to the order being renewed again if Government thinks it fit, but the total period should not exceed one year" should be substituted.

(4) With regard to clause 7 the Committee suggest the following amended clause in place of the same:

> "As soon as section 5 is put into operation and is to be continued for three months, Government shall appoint a Committee consisting of the Chief Presidency Magistrate and a Judicial Officer of not less than 10 years standing, which shall meet at least once a month during the period for the purpose of reviewing the orders made under section 5, and for making such recommendations to the local Government as to them may seem proper with regard to confirming, modifying or revoking the orders and the Government shall thereupon take such steps as to them may seem proper.

"It shall be open for the authorised agent of a person against whom an order has been made to file a representation for the consideration of the said Committee and in case where an appeal has been made to Local Government it shall be optional for the party to file a copy of the appeal before the Committee."

(5) Clause 9 (b) (ii): After the word "punished" the following words should be inserted:

> "with a fine not exceeding Rs. 500 or with fine and simple or rigorous imprisonment for a term not exceeding one year or with rigorous imprisonment for a term which may extend to one year."

APPENDIX LVIII.

WORKMEN'S COMPENSATION ACT 1923—AMENDMENT OF: No. 264, dated 10th January 1929, from the Government of Bombay, General Department to Chamber.

I am directed by the Governor in Council to forward herewith a copy of Government Resolution No. 264, dated the 18th December 1928, and to request that you will be so good as to furnish the Director, Labour Office, with the views of your Chamber by the prescribed date.

WORKMEN'S COMPENSATION ACT, 1923—AMENDMENTS TO Government of Bombay, General Department, Resolution No. 264, Bombay Castle, 18th December 1928.

Letter from the Government of India, Department of Industries and Labour, No. L.-1125, dated the 30th November 1928:—

"I am directed to refer to letter No. F.-111-I-28-A., dated the 4th October 1928, from the Legislative Department forwarding a copy of a Bill further to amend the Workmen's Compensation Act, 1923, for certain purposes which was introduced during the last session of the Legislative Assembly and circulated for the purposes of eliciting opinions thereon. This Bill is confined to the amendment of those sections which are admittedly defective and to the introduction of changes which are likely to raise no important controversial points and which will be generally recognised as improvements. But now that some experience of the working of the Act is available, it is desirable to re-examine the principles underlying the present Act and its more important features. The Act was admittedly an experimental measure and many of its features owe their origin more to a desire to minimise the difficulties attendant on the introduction of an entirely new measure of this kind than to any belief in their permanent value.

"2. **The scope of the Act.**—In any revision of the Act the two most important questions which require consideration are the definition of the workmen to whom the Act applies and the scales of compensation payable. The present Act aimed at the inclusion only of persons employed in branches of industry which were both organized and hazardous, and in extending the Act to fresh classes the Government

of India have endeavoured to follow this principle. The great majority of the workmen who satisfy these conditions already come under the operation of the Act and if these conditions are to be maintained, no large extension of the scope of the Act is possible. It is difficult, however, to justify the exclusion of other classes of workmen on grounds of logic alone. The mere fact that an occupation cannot be described as hazardous is hardly sufficient justification for denying compensation to those who suffer from the rare accidents which occur and the fact that an industry is not organized in no way minimises the hardship which accidents involve on workmen or their dependants.

"3. No great difficulty would be created by the inclusion within the Act of workmen engaged in branches of industry which are not particularly hazardous and which are organized, **e.g.,** to workmen employed on plantations. But the extension of the Act to workers in unorganized industries raises more serious problems, for the employer in an unorganized industry is not as a rule in a position to pay the compensation which would be due in the event of a serious accident. Nor would he be likely in most cases to take advantage of such facilities for insurance as are available. It would seem, therefore, that unless some scheme of compulsory insurance can be introduced, it would be unwise to contemplate any large extension of the scope of the Act. The Government of India are provisionally of the view that the endeavour to introduce any scheme of compulsory insurance, at any rate in unorganized industries, would be attended by serious administrative difficulties. In particular, the expense of administering such a scheme outside the more important urban areas would probably be prohibitive. But they would be glad if the local Government would consider, in the light of the above observations, the desirability of bringing further classes of workers within the scope of the Act. In particular, they would welcome any specific suggestions for additions to Schedule II of the Act.

"4. **The scales of compensation.**—The main principles of the existing scales of compensation are:—

(1) The payment of a lump sum equivalent to 2 1|2 years' wages of the deceased workman in cases of death of adult workmen.

(2) The payment of lump sums equivalent to 3 1|2 years' wages (or in the case of minors, 7 years' wages) in the case of complete permanent disablement with proportionately smaller sums for partial permanent disablement.

(3) The payment of allowances at half the wage rate for workmen temporarily disabled, with provisions for commutation. The most striking feature of the Indian Act in this respect is the preference shown for lump sums as against recurring payments and there is no doubt that in a country where industrial labour is drawn to a large extent from distant areas the payment of lump sums involves much less administrative difficulty than the payment of pensions. On the other hand, money received in the form of lump sums, particularly by ignorant workmen and their dependants, is apt to be expended in an improvident manner; and the payment of pensions, if it could be smoothly effected, would result as a rule in the receipt of substantially greater benefit for an equivalent amount of expenditure. The Government of India would be glad to know to what extent (if any) it is desirable, in the opinion of the local Govment, that recurring payments should be substituted for lump sum payments in granting compensation.

"5. As regards the level of the scales, I am to invite attention to the Recommendation on the minimum scale of compensation laid down by the Seventh International Labour Conference; a copy of this Recommendation is enclosed. It will be observed that the main principle underlying this Recommendation is that the scales of compensation should be so framed as to provide the equivalent of two-thirds of the amount which the workman would have earned had he not been killed or incapacitated. The adoption of these principles in the Indian Act would involve an enhancement of one-third in the rate of payment for temporary incapacity and would probably involve substantial enhancements of the amounts payable on account of death or permanent incapacity; and the Government of India desire to receive opinions regarding the desirability of altering the scales. They are provisionally inclined to the view that in respect of the more poorly paid workmen in particular an enhancement would be justified and that, whether the scales for wokmen generally are modified or not,

the minimum scales of compensation which result from the application of Schedule IV of the Act might suitably be raised.

"6. **The waiting period.**—A further question which arises in connection with the scales of compensation concerns the date from which compensation is payable. Under the Act as it stands at present, no compensation is payable in respect of the first ten days of disablement and it has been suggested that this waiting period is too long and results in hardship. While the period is admittedly longer than that prescribed by the great majority of Acts in other countries, the Government of India feel some doubt as to the wisdom of making a general reduction. It should be borne in mind that every reduction involves a very large increase in the number of cases that can be brought under the Act. Experience in other countries in respect of accident frequency indicates that a reduction of the present period by only three days would involve an increase of about 25 per cent. in the number of possible cases. And even if the period were reduced to as low as four days, the amount of compensation for temporary disablement due to a workman who has disabled for a period of less than ten days would seldom exceed Rs. 2 or 3, and it would not ordinarily be worth his while to contest such a claim where an employer refused to pay.

"7. But the waiting period, in addition to excluding a large number of possible new claims for very short periods, operates to diminish the amount of compensation payable to workmen disabled for longer periods. And it is possible to minimize this effect without opening the door to a large number of trivial claims by providing that, where the disablement has lasted more than ten days, the workmen should be entitled to receive compensation from an earlier date, e.g., from the fourth day of disablement. This method, which is known as 'dating back' has been adopted in a number of Acts in other countries and was at one time in force in England. The disadvantage attendant on it is that it provides in a number of cases a strong temptation to malinger. For the workman who returns to work, for example, on the tenth day is entitled to no compensation, whereas if his disablement lasts for one more day, he receives compensation for a week. In spite of this disadvantage, the possibility of introducing 'dating back' provisions deserves consideration.

"8. **The definition of 'dependants.'**—The provisions of the Act relating to dependants were designed mainly in order to avoid administrative difficulties and it was recognized at the time that they might be somewhat arbitrary in their operation. The present law is briefly as follows. The amount of compensation to be distributed is independent of the number of their dependants and of the decree of their dependence on the deceased workman. Provided that there is a single relative falling within the group specified in section 2 (1) (d) of the Act, the whole of the compensation has to be distributed and, so far as the employer is concerned, the question of whether any of the relatives was actually dependent or not is immaterial The Commissioner has complete discretion regarding the distribution of the amount and in exercising this discretion, he is naturally guided by the extent to which the various claimants were dependant on the deceased. But as the Act at present stands, he may be compelled on occasion to grant the whole of the compensation to relatives who are in no way dependent, and he may find himself unable to give compensation to other relatives who were dependent but who do not come within the definition of 'dependant' given in the Act. The Government of India have received suggestions that the list of dependants should be enlarged, but they are provisionally of opinion that this would be an unwise step so long as the present principles are maintained. For, while there are other relatives who are in some cases actually dependent on the deceased, e.g., widowed sisters and widowed daughters, every addition to the list of a relative who is not in the great majority of cases an actual dependant increases the risk of compensation going to those who have no just claim to it. And it would seem that if any amendment of these provisions is required, the amendment should be of a more radical character. Thus for example, it would be possible to enlarge considerably the list of relatives entitled to claim and to insist, at the same time, on some proof of dependence. It would also be possible to provide that the amount of compensation payable should vary with the number of the dependants and with the extent to which they were actually dependent on the deceased. Provisions of this nature would be more logical than those contained in the Act; but they would obviously be more difficult to administer than the existing law and the Government of India would be glad to know to

what extent, in the opinion of the local Government, it is advisable to move in the directions suggested.

"9. **Liability of contractors.**—Sub-section (2) of section 12 of the Act provides that where a principal is liable to pay compensation under this section he is entitled to be indemnified by the contractor. The whole section, which follows the British Act, contains no special provisions relating to sub-contracts, which are not uncommon in Indian industry; and some amendments appear to be desirable. A recent decision of the Calcutta High Court has made it apparent that no indemnification can be obtained under the Act from a sub-contractor in respect of compensation awarded against the principal for injuries sustained by a sub-contractor's workman. In such cases, the principal can recover from the contractor, but neither of them can secure indemnification from the sub-contractor in the absence of an express contract providing for such indemnification. But it is open to the workman to secure compensation from the sub-contractor by whom he is directly employed. Thus the section, as it stands, has the undesirable effect of enabling a workman to decide in a particular case on which of the parties the ultimate liability should lie, and an amendment is accordingly required.

"10. The most obvious amendment would be one permitting the liability to be passed on in every case to the person directly employing the workman, and such an amendment would be in accord with the general principle of the existing section. But it is at least questionable if this principle is entirely suited to Indian conditions. In many cases the contractors who are responsible for the employment of labour have little control over working conditions, and the main responsibility for such matters as the safety of the workmen rests not with the contractor, but with the principal. In a number of instances, and especially in the working of mines, the law definitely holds a particular party responsible for the safety of workmen and it is questionable if he should be at liberty to pass on the liability for compensation merely because he has not engaged the workmen directly. A possible alternative, therefore, would be so to amend the section as to provide that in any case where the contractor or sub-contractor is ordered to pay compensation, he shall be entitled to be indemnified by the principal. Such a provision would be subject to

the exception contained in the present section 12 (4) of the Act which makes the section inapplicable in cases where the accident occurred elsewhere than on the premises of the principal. There would, of course, be nothing to prevent a principal from entering into a specific contract with a contractor or sub-contractor providing for his indemnification, independently of the Act, against claims for compensation.

"11. **Returns.**—While the majority of employers now send the prescribed returns punctually there is a substantial minority who fail to comply with the provisions of section 16 of the Act. And a suggestion has been made that a penal clause should be introduced in the Act making it possible to impose a small fine on employers who fail to submit returns within the time prescribed. At present employers who intentionally omit to furnish returns can be prosecuted under section 176 of the Indian Penal Code, but it has been urged that the difficulty of proving the element of intention renders this section insufficient for the purpose. The Government of India consider that the fact that a reminder or several reminders had been issued without result would in most cases suffice to establish intentional default, and they are doubtful if a special penal clause is necessary; but they would be glad to have opinions on the question.

"12. Section 16 requires the submission by employers of correct returns specifying the number of injuries in respect of which compensation has been paid by the employer during the previous year together with such particulars as to compensation as the Governor General in Council may direct. As the section stands, employers cannot be legally compelled to submit returns in respect of injuries for which no compensation has been paid and it has been suggested that the scope of the section might be enlarged, so as to secure these returns and enable Government to judge of the extent to which injured persons succeed in getting compensation. This might be advantageous; but it would not be an easy matter to define the accidents in respect of which returns were required. It should be remembered in this connection that claims for compensation can arise in respect of injuries sustained elsewhere than on the employers' premises. And to call for returns in respect of injuries 'arising out of and in the course of employment would be to compel the employer to choose

between restricting the returns to the cases in which he has paid compensation (and this is what is required at present) and admitting that he was liable to pay compensation in a number of other cases.

"13. **Provisions relating to procedure in fatal accidents.**—Finally, the Government of India desire to suggest some improvements in the procedure relating to fatal accidents, with particular reference to section 22 (1) of the Act. As the law stands at present, under sub-section (1) of section 22 a dependant who finds that no compensation has been deposited on behalf of a deceased workman must first approach the employer. This appears to be illogical as, in the case of fatal accidents, it is not possible for the parties to reach an agreement that will be final. The duty of deciding what compensation, if any, should be given to each dependant rests solely with the Commissioner and an agreement between any dependant and an employer is effective only in so far as it is an agreement on the employer's side to deposit compensation. The dependant can make no corresponding agreement to accept the compensation. As all cases of fatal accidents must come before the Commissioner and failure to deposit compensation is equivalent to a denial of the claim, the Government of India are inclined to the view that section 22 should be amended in such a manner as to enable a dependant who claims compensation to approach the Commissioner for the settlement of his claim without first applying to the employer. This change would not affect the right of the employer to a notice of the accident.

"14. Section 22 of the Act effectively prevents the Commissioner from initiating proceedings on his own motion. It has been suggested that in a country like India where the class of people, from which workmen are drawn, is almost entirely illiterate, the Commissioner should be given powers to initiate proceedings to secure the payment of compensation in cases where, owing to ignorance, no claim has been made. The proposal, as stated in this form, is open to serious objections, the main one being that it would tend to remove the Commissioner from the position of a referee to that of a partisan and to weaken the confidence of employers in his impartiality. The Government of India, however, consider that the migratory character and the general illiteracy of the workers in India and the absence of well organized trade unions furnish grounds for taking special

measures for securing to the dependants of a deceased workman the compensation which is due to them under the Act. For example, a provision might be made under which an employer would be bound to give notice to the Commissioner within a prescribed period of all accidents to his workmen which have terminated fatally. Failure to give such notice would render the employer liable to a fine. The notice would include certain specified details and would also include a statement whether the employer proposed to deposit compensation with the Commissioner or not; and if not, his reasons for not doing so. Where the employer did not propose to deposit compensation, the Commissioner might be authorized to convey to the dependants of the deceased employee an intimation that it was open to the latter to take such further action in the matter as they might desire to take under the Act. Alternatively, other officers, e. g., Inspectors of Factories and Mines might be authorised to prefer complaints (and to secure that the proper notice was served on the employer) in cases where they believed that a workman had been killed in circumstances giving rise to a claim for compensation. and where no compensation had been deposited. The Government of India would be glad if these suggestions could be considered; they will be ready to consider any other suggestions designed to meet the difficulty.

"15. In a number of cases Commissioners for Workmen's Compensation have been unable to award compensation payable under the Act owing to the fact that the dependants of a deceased workman could not be traced, and a suggestion has been made that employers should be obliged to register the names and addresses of the nearest relatives of each of their workmen as soon as the workman is taken into employment. The Government of India are inclined to view such a proposal favourably, but they consider that the procedure suggested could only be introduced effectively for certain limited classes of workmen, e.g., those employed in factories, mines and railways. In the case of a factory, for example, the employer has to keep a register of all the persons employed, and the names and addresses of the nearest relatives could be entered at the time when the entry of a workman's name is first made. These registers could be examined periodically by Factory Inspectors. On the other hand, the enforcement of a rule in the building trades, for example, would be scarcely

possible. Another possible objection to this proposal is that in some areas workmen might be unwilling to give their wives' names and the wife, when living, is the most important dependant.

"16. Cases arise in which the amount of compensation deposited on account of a fatal accident is inadequate and the Commissioner is at present precluded from taking steps on his own initiative to secure that the full amount of compensation is paid. He must await an application from a dependant before taking any action in this respect. As the deposit of compensation is tantamount to an admission of liability, it would seem to be desirable that the Commissioner should be empowered to call upon the employer depositing compensation in any particular case to show cause why he should not deposit the additional amount sufficient to bring the compensation up to the prescribed sum.

"17. Section 8 (1) of the Act does not prescribe any particular period during which the payment must be made by the Commissioner, but it is doubtful whether he can, without statutory authority, withhold a payment for the periods which are sometimes necessary for the decision of an appeal by a High Court. It has, therefore, been suggested that section 8 (1) of the Act should be amended so as to empower the Commissioner to withhold payment in cases where an appeal has been filed against his decision. The High Court might similarly be empowered to order in any particular case that the distribution of compensation should be suspended pending their decision.

"18. In conclusion, I am to set out briefly the main questions on which the Government of India desire to receive opinions. These are as follows:—

(1) To what fresh classes of employees, if any, should the Act be extended?

(2) Should any provisions be introduced for securing workmen against possible loss by reason of the inability of their employer to pay any compensation that may be due?

(3) To what extent, if any, should recurring payments be substituted for the lump sums at present payable under the Act?

(4) Should the scales of compensation be enhanced either for the more poorly paid workmen or generally?

(5) Should the waiting period be reduced either generally or in the case of those workmen who are disabled for more than ten days, and if so to what extent?

(6) Should the list of relatives entitled to claim compensation be enlarged?

(7) Should proof of dependence be required in order to enable a relative to claim compensation?

(8) Should the compensation payable vary with the number of dependants and with the extent of their dependence on the deceased workmen?

(9) Should section 12 of the Act be amended—

(a) so as to place the ultimate liability for compensation on the person directly employing the workmen in every case, or

(b) so as to place the ultimate liability for compensation on the principal, or

(c) in any other manner?

(10) Should any penalty be provided in the Act for failure to comply with the provisions of section 16?

(11) Should employers be required to submit returns of accidents in respect of which compensation has not been paid, and if so, to what accidents should this provision apply?

(12) Should a dependant claiming compensation be relieved of the necessity of approaching the employer for the settlement of his claim?

(13) What steps, if any, should be taken to ensure that dependants who may have valid claims for compensation do not lose compensation through ignorance of their rights?

(14) Should employers be required to maintain a register of relatives of their workmen?

(15) Should Commissioners be empowered to call on employers depositing inadequate compensation for fatal accidents to make a further deposit?

(16) Should provision be made for the suspension of distribution by the Commissioner pending the disposal of an appeal against his decision?

'Other amendments of the Act may suggest themselves to local Government or those consulted by them, and the Government of India will also be glad to receive any suggestions relating to points which are not discussed in this letter. I am to request that, after consultation with representative organizations of employers and employees and others who may be interested in the operation of the Act, a reply may be sent to this letter not later than 1st July 1929."

Resolution.—Copies of the letter from the Government of India and accompaniment should be forwarded to the Honourable the Chief Justice and Judges of His Majesty's High Court of Judicature, Bombay, the Commissioner in Sind, the Commissioners of Divisions, the Commissioner, Workmen's Compensation, Bombay, the Collector of Bombay, the Director of Industries, the Director, Labour Intelligence, the Shipping Master, Bombay, the Chairman, Bombay and Karachi Port Trusts, the Municipal Commissioner for the City of Bombay, the Chief Officer, Bombay Improvement Trust, and to the bodies and Associations mentioned below and they should be requested to favour Government with their replies by the 30th April 1929 at the latest. The Director, Labour Intelligence, and Registrar of Trade Unions, is authorised to consult such other bodies as he may consider necessary. The replies should be addressed to the Director, Labour Intelligence, who should submit them to Government with a summary of the views contained in them and a draft letter to the Government of India as soon as possible.

By order of the Governor in Council,
(Sd). A. H. DRACUP,
Under Secretary to Government.

ACCOMPANIMENT TO GOVERNMENT RESOLUTION, GENERAL DEPARTMENT, NO. 264, DATED THE 18TH DECEMBER 1928.

Recommendation of the Seventh International Labour Conference on Minimum Scale of Compensation.

The General Conference recommends that each Member of the International Labour Organisation should take the following principles and rules into consideration:—

I. Where incapacity for work results from the injury, the national laws or regulations should provide for the payment of compensation at rates not lower than those hereinafter indicated:—

(1) In the case of permanent total incapacity, a periodical payment equivalent to two-thirds of the workman's annual earnings.

(2) In case of permanent partial incapacity, a proportion of the periodical payment due in the event of permanent total incapacity calculated in reference to the reduction of earning power caused by the injury.

(3) In case of temporary total incapacity, a daily or weekly payment equivalent to two-thirds of the workman's basic earnings as calculated for purposes of compensation.

(4) In case of temporary partial incapacity, a proportion of the daily or weekly payment payable in the case of temporary total incapacity calculated in reference to the reduction of earning power caused by the injury.

Where compensation is paid in a lump sum, the sum should not be less than the capitalised value of the periodical payment which would be payable under the foregoing paragraphs.

II. Where the injury is such that the workman requires the constant help of another person, additional compensation should be paid to the workman, which should not be less than half the amount payable in the case of permanent total incapacity.

III. Where death results from the injury, those entitled to be regarded as dependants for purposes of compensation should include at least the following:—

(1) Deceased's husband or wife;

(2) Deceased's children under eighteen years of age, or above that age if, by reason of physical or mental infirmity, they are incapable of earning;

(3) Deceased's ascendants (parents or grand-parents) provided that they are without means of subsistence and were dependent on the deceased, or the deceased

was under an obligation to contribute towards their maintenance;

(4) Deceased's grand-children and brothers and sisters, if below eighteen years of age, or above that age if, by reason of physical or mental infirmity, they are incapable of earning, and if they are orphans, or if their parents, though still living, are incapable of providing for them.

Where compensation is paid by means of periodical payments, the maximum total of the yearly sum payable to all the dependants should not be less than two-thirds of the deceased's annual earnings.

Where compensation is paid in a lump sum, the maximum sum payable to all the dependants should not be less than the capitalised value of periodical payments equivalent to two-thirds of the deceased's annual earnings.

IV. The vocational re-education of injured workmen should be provided by such means as the national laws or regulations deem most suitable.

Governments should encourage institutions which undertake such re-education.

No. 799, dated 10th April 1930, from Chamber to the Government of Bombay, General Department.

I am directed to send hereby the views of the Committee of this Chamber in reply to your letter dated the 10th January 1929, No. 264-D.

Paragraph 3: My Committee do not think it advisable to introduce a system of cumpulsory insurance.

Para. 5 (a): My Committee consider that compensation for temporary disability should be increased in respect of the maximum laid down. The present maximum of Rs. 15 should be raised to Rs. 25.

(b): In the case of permanent total disability, the amount should be 50 months' wages instead of 42, and the maximum should be Rs. 4,500 instead of Rs. 3,500, whichever is lower, in cases where the number of dependents exceeds two.

(c): Similarly in the case of death, the amount of compensation should be 32 months' wages instead of 30, or a maximum of Rs. 3,000 instead of Rs. 2,500 as at present, whichever is lower, in cases where the number of dependents exceeds two.

Paras. 6 & 7: The Compensation should be dated back to the fifth day of disability if it lasts at least 21 days. There should be no dating back if it lasts less than 21 days, in which case the compensation would be payable as from the 11th day.

Para. 8: The distribution of the compensation should be left to the Commissioner. My Committee are of opinion that the list of dependents should be enlarged so as to include widowed sister or and widowed daughter, provided they are maintained by the party injured. The accurate assessment of dependants is difficult to ascertain and as difficult to administer.

Paras. 9 & 10: My Committee consider that the employer actually employing the workmen should be made liable for compensation in case of accidents except (i) where the accident occurred owing to his having to take risks over which he had no control, or (ii) where he can prove that his employer (if he himself is a contractor or a sub-contractor) in determining the conditions of work was negligent; and in both these cases that employer should be held liable.

Para. 11: My Committee have no objection to the penal clause suggested.

Para. 12: My Committee consider it undesirable that employers should be legally compelled to submit returns in respect of injuries for which no compensation has been paid.

Para. 13: There is no objection in the proposed improvement in the procedure relating to fatal accidents with particular reference to Section 22(1) of the Act, so that a dependent who claims compensation can approach the Commissioner for settlement of his claim without first applying to his employer.

Para. 14: The Commissioner should remain in the position of a Referee and should not be a partisan.

My Committee also agree that provision can be made under which an employer would be bound to give notice to the Commissioner within a prescribed period of all accidents to his workmen which h terminated fatally. They do not, 'herefore, consider it necessary that inspectors of factories and mines should be authorised to prefer complaints in the case of such accidents.

Para. 15: In view of the migratory character of Indian labour, my Committee think that it would not be practicable to compel employers to keep a register of the names of the dependents of each of their workmen. It would certainly entail on them a great amount of clerical hardship incommensurate with the object in view.

Para. 16: My Committee agree that the Commissioner should be empowered to call upon the employer depositing compensation in the case of fatal accidents, to show cause why he should not in any particular case deposit an additional amount sufficient to bring the compensation up to the prescribed sum.

Para. 17: Section 8(1) of the Act should be amended so as to empower the Commissioner to withhold payment in cases where an appeal has been filed against his decision.

Para 18 (1): My Committee suggest that workmen engaged in such works as Dams and Tunnels should come under the Act.

(2): The Commissioner's award is practically accorded the status of a decree of a Court which could be executed against the assets of a defaulter and no further measures are therefore necessary.

(3): It should be left to the injured party whether he prefers a lump amount or recurring payments for his compensation.

(4): My Committee have indicated in their reply to Para. 6 above the extent to which scales of compensation should be enhanced.

(5): Our views have been expressed on this question in answer to Para 6 above.

(6): See our reply to Para. 8 above.

(7): Proof of dependence should be furnished to the satisfaction of the Commissioner.

(8): See our views expressed in answering Para. 5 above.

(9) (a): Yes.

(b) and (c): No; except in cases where negligence or misdirection can be proved against the principal in determining the conditions of work, vide our reply under 9 and 10 above.

(10): Yes; a small fine.

(12); Yes; vide our answer to Para. 13 above.

(13): Under the power proposed to be given to the Commissioner to call upon the employer depositing compensation in any particular case to show cause why he should not deposit an additional amount, my Committee consider that the interests of the dependents are sufficiently safeguarded. It will be for the Commissioner to trace the dependents even if they are ignorant of their rights.

(14): No; the labour involved in maintaining a register of this kind could not be commensurate with the object in view.

(15): Yes. Vide our reply to Para. 16 above.

(16): Yes. Vide our reply to Para. 17 above.

My Committee further are of opinion that small industries, that is, industries not coming under the Factories and Mines Act, should be excluded from the operation of the Workmen's Compensation Act. Those industries where the nature of business of an employer is of nomadic character should also be excluded. The same exclusion should also apply to industries where the employment of labour varies with the locality.

APPENDIX LIX.

BILL FURTHER TO AMEND THE INDIAN INCOME-TAX ACT, 1922, FOR CERTAIN PURPOSES.

No. 1988-F, dated 15th April 1929, from Government of Bombay, Finance Department to Chamber.

I am directed to forward a copy of Government Resolution No. 1988, dated 15th April 1929 with its accompaniments and to request the favour of the opinion of your Chamber on the Bill as early as possible and in any case before the 21st May 1929.

"Subject:—The Indian Income-tax (Amendment) Bill as reported by the Select Committee.

"With reference to the Debates of the Legislative Assembly of the 16th March 1929 I am directed to forward herewith copies of the papers noted on the margin and to request that the Governor in Council will favour this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

2. I am also to request that the Bill as reported by the Select Committee may be published in the Bombay Government Gazette in English and in such other languages as the Governor in Coucil may deem proper, and that the dates of such publication may be communicated in your reply.

3. The reply to this letter should be sent in duplicate by the 21st June 1929."

LEGISLATIVE ASSEMBLY DEPARTMENT.

We, the undersigned, Members of the Select Committee to which the Bill further to amend the Indian Income-tax Act, 1922, for certain purposes was referred, have considered the Bill and the papers noted in the margin, and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

The Committee met on the 3rd and 5th March, 1928, and the 1st, and 2nd February, 1929. Our deliberations have resulted in considerable alterations of the details of the Bill although not, we think, in its general principles. These alterations we now propose to refer to clause by clause omitting reference to minor alterations of a purely drafting nature.

Clause 3.—We have omitted the words "and assess it as if it were unregistered" as otiose. If the registration is cancelled the firm can only be assessed as an unregistered firm.

Clause 4.—This clause we have found to require very careful consideration, and we have expended a considerable amount of time in the discussion of it.

As regards sub-section (1) of the proposed new section 23A, we agree, in the first place, with those criticisms which point out that there may be perfectly genuine firms of which one member only is competent to bind the firm by his act, while, on the other hand, we consider that the sub-section as drafted could easily be evaded by an unwritten agreement or understanding under which a deed of partnership giving such powers to all the partners could be rendered a practical nullity and the actual power placed in the hands of one partner only. We further agree that it is very important that, as is provided in the case of companies in the English Act, the real purpose of the sub-section should be clearly stated and its provisions confined to cases where a firm or association has been formed and is used really and principally in order that one or more of its partners may evade the incidence of income-tax. Finally, we have added an **"Explanation"** to make it clear that firms such as are common in India in which one man puts up the whole or the major portion of the capital and is the principal partner in possibly a dozen or more firms with working partners associated with him, are not necessarily to be deemed to have been formed for the purpose of evasion. We think that the sub-section as now redrafted is a reasonable solution of the objections which have been taken to the original proposal.

As regards sub-section (2) of the proposed new section 23A, we are convinced that the criteria contained in clauses (a), (b) and (c) of the sub-section as originally proposed would fail to achieve the desired object. These clauses would not in fact have limited the operation of the sub-section to private companies only because, as many of the objectors have failed to observe, the conditions were to be alternative and not cumulative. On the other hand, it would have been perfectly easy for any person to form a public company having none of these attributes and yet actually under the control of a single person. As in the case of sub-section (1), we are also impressed with the importance of having the real purpose of the enactment clearly stated in the body of the sub-section. After exhaustive discussions, therefore, we have adopted a sub-section which follows fairly closely, with necessary modifications, section 21 of the English Finance Act, 1922, as amended and amplified by section 31 (3) of the English Finance Act, 1927. The most important feature of the sub-section as now drafted is perhaps the proviso that

it is not to apply to a company which is a subsidiary company or in which the public is substantially interested, and for the purpose of fixing the meaning of the latter expression we have formed the view that the definitions in the English Act are as satisfactory as it is possible in all the circumstances to devise.

We have further added to the new section 23A three sub-sections. Sub-section (3) provides that any firm, association or company must be given an opportunity of being heard before orders are passed under the section. Sub-section (4) provides in the case of a firm or association that the additional tax payable by a member may, in default of payment by him, be recovered from the firm or association, and in the case where the individual members of a company have become liable to additional tax in respect of undistributed profits, that the proportionate part of tax payable on such undistributed profits shall be recoverable only from the company. Sub-section (5) provides that where undistributed profits have been included in the total income of individual members of a company they shall not, if they are subsequently distributed, be taxable again in the hands of the individual.

Clause 5 of the Bill as amended (Clause 9 of the Bill as introduced).—We consider that the definite provision which the Bill is to make for the procedure in the matter of registration of firms would be more suitably inserted in the Income-tax Act as section 26A rather than as section 39A. As regards the subject-matter of the new section we have considered very carefully the provision originally made in sub-section (3) allowing an Income-tax Officer to refuse registration to any association of individuals which is in his opinion not a firm. We think, in the first place, that such a provision is unnecessary in view of the provisions of sub-section (1) of the new section 23A which gives power to the income-tax authorities to treat the members of a firm as individuals, ignoring the constitution of the firm as such, and of his undoubted power under the Act as it now stands to refuse registration to a concern which on the face of the deed of partnership is not a firm as defined in the Act. In addition to this we observe that there is undoubtedly a large body of opinion which holds that the sub-section would place in the hands of Income-tax Officers a power which, although it might not in actual practice

be abused, is liable to be misconceived and thus to hamper and discourage the formation of perfectly genuine partnerships for business purposes. At the same time we realise that it should not be possible for persons to obtain registration of an enterprise as a registered firm which is in fact nothing more than a one-man concern and we think the object in view can be satisfactorily met by making provision for the verification of an application for registration and by imposing by an amendment of section 52 of the Act a penalty upon any one who makes a false verification. The result is a small amendment in sub-section (2) of the new section 26A and of section 52 of the Act; and the omission of sub-section (3) of the new section.

Clause 6 (Clause 5 of the Bill as introduced).—We have agreed to this clause with one small drafting amendment.

Clause 7.—This clause is new. Clause 11 of the Bill as introduced provided a reference to the High Court on questions of fact as well as of law in cases where the income-tax authorities proceed against firms, associations and companies under the new section 23A. Several of the High Courts have taken strong objection to this proposal. They point out that not only would this involve a great increase in the work of High Courts but also a new principle would be introduced into the law relating to the jurisdiction of High Courts by making it the arbiter of facts, a principle which might have serious repercussions in other branches of law. We are agreed that these objections are fatal to the original proposal and consider that the only possible alternative is to provide, as we do in this clause, for the reference of cases of this nature to Boards of Referees. The actual provisions governing the constitution and procedure of these Boards we propose to leave to rules, but as the matter is of great importance to the commercial community we desire to outline briefly the manner in which we think they should be constituted. We may here observe that the rules will, as in the case of other rules made under the Act, be made after previous publication. The outline of our proposals is as follows:—

(1) The members of each Board of Referees should be chosen from an all-India panel constituted and maintained by the Central Board of Revenue. It will be the duty of the Central Board of Revenue to

appoint a number of persons from each province who are willing to serve on Boards of Referees and to appoint such number from each province as is proportionate to the size and commercial importance of the province.

(2) On receipt of an application by the Commissioner of Income-tax for the reference of a case to a Board of Referees he will appoint a Board consisting of three, four or five members according to the magnitude of the case and of the issues involved. He should be directed to avoid selection of persons likely to show bias either for or against the appellant and should carefully consider the risk of an appellant being compelled to disclose the details of his business to a trade rival. Apart from this, although there will not be separate panels for each province, the Commissioners would normally choose a panel from those residing in the neighbourhood so as to avoid inconvenience and loss of time in travelling.

(3) The names selected by the Commissioner should be communicated to the appellant within one week, and the appellant should then be given a reasonable time, say 15 days, within which he may object, without giving reasons, to the inclusion of any name and at the same time may name not less than five members of the panel to whom he will not object. The Commissioner will then proceed to substitute a fresh name for any name to which objection has been taken, but he should not be bound by the list of names submitted by the appellant. If he takes a name from the appellant's list no objection to that name should be allowed. As regards any other names the appellant should be allowed one more opportunity to raise objections. Thereafter, that is to say, in the case where the appellant has twice objected to a panel as proposed to be constituted by the Commissioner, the final composition of the Board should be settled by the Central Board of Revenue.

(4) The date and place of meeting of a Board should be fixed by the Commissioner of Income-tax after consulting the members.

(5) The members should elect a Chairman from among the non-official members of the Board and thereafter the procedure will be directed and controlled by him.

(6) The decision of a Board should be the decision of the majority of members present and signing the same. All members who are present should sign but any member should have the right to record a dissenting minute. In the case of an equality of votes the Chairman should have a casting vote and any decision which is signed by not less than half of the members should be deemed to be a valid decision. Provided these conditions are fulfilled, the absence of a member or his failure to sign the decision should not invalidate the proceedings.

(7) The scales of remuneration and allowances for members of Boards of Referees should be provided for in the rules.

Decisions of Boards of Referees are made final, subject to a reference (for which we provide in clause 10) to the High Court on points of law.

The only other point to which special reference is needed is the proviso to sub-section (3) of the proposed new section 33A which enables the appellant to endeavour to obtain a decision in his favour from the Commissioner acting under his powers of revision and thus obviate the delay and possible inconvenience of a reference to a Board.

Clause 8.—This clause is, as already noticed, consequential in part upon the amendment which we have made in sub-section (2) of the proposed new section 26A, and also contains a penalty for false verification of an appeal to a Board of Referees. (See sub-section (2) of new section 33A.)

Clause 10.—We have already explained this clause in our remarks upon clause 7.

2. The Bill was published as follows:—

In English.

Gazette.	Date.
Gazette of India . . .	10th Sep. 1927.
Fort Saint George Gazette . .	27th Sep. 1927.
Bombay Government Gazette .	6th Oct. 1927.
Calcutta Gazette . . .	13th Oct. 1927.
United Provinces Gazette . .	24th Sep. 1927.
Punjab Government Gazette . .	23rd Sep. 1927.
Burma Gazette . . .	8th Oct. 1927.
Central Provinces Gazette . .	24th Sep. 1927.

Assam Gazette . . .	21st Sep. 1927.
Bihar and Orissa Gazette . .	19th Oct. 1927.
Coorg District Gazette . .	1st Nov. 1927.
Sind Official Gazette . . .	13th Oct. 1927.
North-West Frontier Gazette . .	14th Oct. 1927.

In the Vernaculars.

Province.	Language.	Date.
Madras . .	Tamil . .	25th Oct. 1927.
	Telugu . .	25th Oct. 1927.
	Hindustani .	1st Nov. 1927.
	Kanarese .	25th Oct. 1927.
	Malayalam .	25th Oct. 1927.
Bombay . .	Marathi .	24th Nov. 1927.
	Gujarathi .	24th Nov. 1927.
	Kanarese .	10th Nov. 1927.
Punjab . .	Urdu . .	2nd Dec. 1927.
Burma . .	Burmese .	19th Nov. 1927.
Coorg . .	Kanarese .	1st Nov. 1927.
Sindh . .	Sindhi .	20th Oct. 1927.

3. As we stated in the opening part of our Report, the Bill has not been essentially altered in principle, but the radical alterations in detail which we have made in clause 4 and the substitution of Boards of Referees as appellate tribunals in place of the High Courts undoubtedly raise questions which require the fullest consideration. We therefore, as required by sub-order (4) of Standing Order 41, record our opinion that the Bill has been so altered as to require re-publication.

VICTOR SASSOON.
GEORGE SCHUSTER.
HAJI ABDOOLA HAROON.
PURSHOTAMDAS THAKURDAS.
M. S. ANEY.
H. G. COCKE.
K. C. NEOGY.
R. K. SHANMUKHAM CHETTY.
K. C. ROY.
VIDYA SAGAR PANDYA.
MUKHTAR SINGH.

AS AMENDED BY THE SELECT COMMITTEE

(Words pointed in italics indicate the amendments suggested by the Select Committee).

A BILL

Further to amend the Indian Income-tax Act, 1922, for certain purposes.

XI of 1922.

Whereas it is expedient further to amend the Indian Income-tax Act, 1922, for certain purposes hereinafter appearing; It is hereby enacted as follows:—

Short title and commencement.

1. (1) This Act may be called the Indian Income-tax (Amendment) Act, 192 .

(2) It shall come into force on the 1st day of April, 192 .

Amendment of section 2, Act XI of 1922.

XI of 1922.

2. In section 2 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act),—

(*a*) after clause (6) the following clause shall be inserted, namely:—

IX of 1872.

"(6*A*) 'firm', 'partner' and 'partnership' have the *same* meanings *respectively as* in the Indian Contract Act, 1872"; and

(*b*) for clause (14) the following shall be substituted, namely:—

"(14) 'registered firm' means a firm registered under the provisions of section 26*A*;".

Amendment of section 23, Act XI of 1922.

3. In sub-section (4) of section 23 of the said Act, after the word "judgment" the words "and, in the case of a registered firm, may cancel *its* registration" shall be added.

Insertion of new section 23A in Act XI of 1922.

4. After section 23 of the said Act the following section shall be inserted, namely:—

Power to assess individual members of certain firms, associations and companies ....

"23A. (1) Where *the Income-tax Officer is satisfied that* any firm or other association of individuals carrying on any business, other than a Hindu undivided family or a company, is *under the control of* one member thereof, *and that such firm or association has been formed or is being used for the purpose of evading or reducing the liability to tax of any member thereof, he* may, with the previous approval of the Assistant Commissioner, pass an order that no assessment on the firm or association as and thereupon *the proportionate share of each member in the profits and gains of the firm or association shall be included in his total income for the purpose of his assessment thereon.*

Explanation.—*A member of a firm or association who owns the whole or the major portion of the capital of the firm or association shall not by reason only of that fact be deemed to control the firm or association.*

(2) Where *the Incometax Officer is satisfied that* a company is under the control of not more than five *of its* members *and that its profits and gains are allowed to accumulate beyond the reasonable needs, existing and contingent, of its business without being distributed to the members, and that the accumulation is allowed for the purpose of preventing the imposition of tax upon any of the members in respect of their shares in the profits and gains so accumulated,* he may, with the previous approval of the Assistant Commissioner, pass an order that no assessment on the company as such shall be

made, and thereupon *the proportionate share of each member in the profits and gains of the company, whether such profits and gains have been distributed to the members or not, shall be included in the total income of such member for the purpose of his assessment thereon;*

Provided that this sub-section shall not apply to any company which is a subsidiary company or in which the public are substantially interested.

Explanation.—For the purpose of this subsection,—

(a) *a company shall be deemed to be a subsidiary company if, by reason of the beneficial ownership of shares therein, the control of the company is in the hands of a company not being a company to which the provisions of this sub-section apply or of two or more companies none of which is a company to which those provisions apply;*

(b) *a company shall be deemed to be a company in which the public are substantially interested if shares of the company (not being shares entitled to a fixed rate of dividend, whether with or without a further right to participate, in profits) carrying not less than twenty-five per cent. of the voting power have been allotted unconditionally to, or acquired unconditionally by, and are at the end of the previous year beneficially held by, the public (not including a company to which the provisions of this sub-section apply), and if any such shares have in the course of such previous year have been the subject of dealings in any stock exchange in British India or are in fact freely transfernable by the holders to other members of the public;*

(c) *a company may be deemed to be under the control of any persons where the majority of the voting power or shares is in the hands of those persons or of relatives or nominees of those persons;*

(d) *"nominee" means a person who may be required to exercise his voting power on the directions of, or holds shares directly or indirectly on behalf of, another person.*

(3) *The Assistant Commissioner shall not give his approval to any order proposed to be passed by the Income-tax Officer under this section until he has given the firm, association or company concerned an opportunity of being heard.*

(4) *(i) Where any member of a firm or association of individuals makes default in the payment of tax on his share of profits and gains which has been included in his total income under the provisions of sub-section (1), such tax may be recovered from the firm or association, as the case may be.*

(ii) Where the proportionate share of any member of a company in the undistributed profits and gains of the company has been included in his total income under the provisions of sub-section (2), the tax payable thereof in respect thereof shall be recoverable from the company and not from such member.

(5) *Where tax has been paid in respect of any undistributed profits and gains of a company under this section, and such profits and gains are subsequently distributed in any year, the proportionate share therein of any member of the company shall be excluded in computing his total income of that year."*

Insertion of new section 26A in Act XI of 1922.

5. After section 26 of the said Act the following section shall be inserted, namely:—

Procedure registration of firms

"26A. (1) Application may be made to the Income-tax Officer on behalf of any firm, constituted under an instrument of partnership specifying the individual shares of the partners, for registration for the pur-

poses of this Act and of any other enactment for the time being in force relating to income-tax or super-tax.

(2) The application shall be made by such person or persons, and at such times, and shall contain such particulars and shall be in such form, *and be verified in such manner*, as may be prescribed; and it shall be dealt with by the Income-tax Officer in such manner as may be prescribed."

Amendment of section 28, Act XI of 1922.

6. For section 28 of the said Act the following section shall be substituted, namely:—

Penalty for concealment of income or improper distribution of profits.

"28. (1) If the Income-tax Officer, the Assistant Commissioner or the Commissioner, in the course of any proceedings under this Act, is satisfied that an assessee has concealed the particulars of his income or has deliberately furnished inaccurate particulars of such income, and has thereby returned it below its real amount, he may direct that the assessee shall, in addition to the income-tax payable by him, pay by way of penalty a sum not exceeding the amount of the income-tax which would have been avoided if the income so returned by the assessee had been accepted as the correct income.

(2) If the Income-tax Officer, the Assistant Commissioner or the Commissioner, in the course of any proceedings under this Act, is satisfied that the profits of a registered, firm have been distributed *otherwise than* in accordance with the shares of the partners as shown in the instrument of partnership registered under this Act, and that any partner has thereby returned his income below its real amount, he may direct that such partner shall, in addition to the income-tax payable by him, pay by way of penalty a sum not exceeding the

amount of income-tax which would have been avoided if the income returned by such partner had been accepted as his correct income; and no refund or other adjustment shall be claimable by any other partner by reason of such direction.

(3) No order shall be made under sub-section (1) or sub-section (2), unless the assessee or partner, as the case may be, has been heard, or has been given a reasonable opportunity of being heard.

(4) No prosecution for an offence against this Act shall be instituted in respect of the same facts on which a penalty has been imposed under this section.

(5) An Assistant Commissioner or a Commissioner, who has made an order under sub-section (1) or sub-section (2), shall forthwith send a copy of the same to the Income-tax Officer."

Insertion of new section 33A in Act XI of 1922.

7. *After section 33 of the said Act the following section shall be inserted, namely.—*

REFERENCE TO BOARD OF REFEREES.

"33A. (1) *Any person aggrieved by an order of an Income-tax Officer under sub-section* (1) *or sub-section* (2) *of section 23A may, within thirty days of the passing of such order, lodge an appeal in the office of the Commissioner.*

(2) *The appeal shall be in the prescribed form and shall be verified in the prescribed manner.*

(3) *The Commissioner shall refer such appeal, with a statement of his own opinion thereon, to a Board of Referees for decision; and the Board of Referees shall decide the appeal after hearing the appellant and any person deputed by the Commissioner.*

Provided that, before making a reference, to a Board of Referees, the Commissioner may, and at the request of

the appellant shall, in exercise of his powers of revision under section 33, decide, the matters in dispute, and thereupon the assessee may withdraw his appeal or proceed with it.

(4) *The decision of the Board of Referees shall be forwarded to the Commissioner who shall transmit it to the Income-tax Officer who passed the original order, and shall also send copies to each Income-tax Officer who has made any assessment consequent upon such order; and where a decision reverses or modifies the order of the Income-tax Officer, fresh assessments shall be made in accordance therewith, or such consequential, adjustments as may be required shall be made in any assessments already made.*

(5) *The decision of a Board of Referees shall not be subject to appeal to any Income-tax authority, and shall not be revised by the Commissioner in exercise of his powers under section 33.*

(6) *A Board of Referees shall consist of not less than three and not more than five persons, of whom not less than one-half, including the chairman, shall be non-officials having business experience, and one shall be a person having held judicial office, not inferior to that of a Subordinate Judge or a Judge of a Small Cause Court, for a period of not less than five years.*

(7) *Subject to the provisions of sub-section (6), the Central Board of Revenue may make rules regulating the formation, composition and procedure of Boards of Referees."*

Amendment of section 52, Act XI of 1922.

8. *In section 52 of the said Act, after the word and figure "section 22" the words and figures "or sub-section (2) of section 26A" shall be inserted, and after the word and figure "section 32" the words and figures "or sub-section (2) of section 33A" shall be inserted.*

Amendment of section 54, Act XI of 1922.

9. In sub-section (2) of section 54 of the said Act, after the first proviso the following proviso shall be inserted, namely:—

"Provided, further, that nothing in this section shall apply to the production by a public servant before a Court of any document, declaration or affidavit field, or the record of any statement or deposition made in a proceeding under section 26A, or to the giving of evidence by a public *servant* in respect thereof."

Amendment of section 66, Act XI of 1922.

10. *In sub-section* (2) *of section* 66 *of the said Act.*—

(*a*) *after the word* "*month*" *the words* "*of the making of a decision by a Board of Referees under section 33A or*" *shall be inserted, and*

(*b*) *before the word* "*order,*" *in the second and third places where it occurs the words* "*decision or*" *shall be inserted.*

Extract from the Legislative Assembly Debates, Vol. I, No. 30.

TheAssembly met in the Assembly Chamber of the Council House, New Delhi, on Saturday, the 16th March, 1929.

* * * * *

THE INDIAN INCOME-TAX (AMENDMENT) BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

"That the Bill further to amend the Indian Income-tax Act, 1922, for certain purposes, as reported by the Select Committee, be re-circulated for the purpose of eliciting opinions thereon."

Sir, the reasons why the Select Committee has recommended re-circulation are very clearly explained in the Report. I think I need only deal with one or two principal points. The alterations suggested by the Select Committee are numerous, but they only affect questions of detail and not its general principles. Nevertheless, the details are of such importance that the Committee thought it was desirable that

the Bill should be re-circulated for opinion. The main alteration is possibly that contained in clause 4, where it has been sought to arrive at definitions of companies or firms subject to the provisions of this Act, which would cover substantially those companies or firms which are formed for the purpose of evasion of tax, and not to rely so much on mere technical distinctions, as had been done in the Bill as originally drafted. As regards companies, for example, certain conditions had been attached in the original Bill, which, on consideration, the Select Committee thought would not prove effective for getting at those companies which the Act was originally designed to deal with. The Committee has adopted the definition used in the corresponding English law for deciding what is a company, which is, in effect, a company in which the public are genuinely interested, as distinguished from a company in which perhaps one or two men only are interested, and which has been formed really for the purpose of evasion of tax. I think that the definitions now adopted will prove more satisfactory in practice.

The Bill has further been altered in another important respect, in that it substitutes Boards of Referees as the Court of Appeal for the High Court. The High Courts objected to the amount of work which would be involved in the original provisions, and it was the opinion of the Select Committee that Boards of Referees, as provided in the amended Bill, would meet the needs of the case more satisfactorily.

I do not think that it is necessary for me to say any more on this subject, for, as I have already said, the reason for all the amendments are very clearly stated in the Report of the Select Committee.

The motion was adopted.

No. 1045, dated 9th May 1929, from Chamber to Government of Bombay, Finance Department

With reference to your letter No. 1988-F, dated the 15th April 1929, regarding the above, I am directed to send views of my Committee thereon as under:—

My Committee are strongly of opinion that Explanation (b) to Section 4 should be deleted. The conditions prevailing in Eng-

land do not apply here and the procedure will be unworkable in practice. The Stock Exchange deals in forward transactions of but a few scrips. It also happens in the case of a Company that more than 75 per cent. of the holding may be with one party. Under these circumstances, my Committee urge the deletion of this portion, and suggest that the absence of such provisions should not be considered as a bar to the Company being considered as a public company. There are in the opinion of my Committee, ample safeguards for the interests of the public. Thus in sub-clause (2), Section 4, it is already stated that the Income-tax Officer must be satisfied that a company was under the control of not more than 5 of its members, etc., and it is also provided in Explanation to sub-clause (c) to Section 4, that a company may be deemed to be under the control of any persons where the majority of the voting power of shares is in the hands of those persons or of relatives or nominees of those persons.

With regard to sub-clause (5) to the Explanation, my Committee find that there is no provision for refund for one who has ceased to be a member of a Company. They therefore suggest that necessary provisions should be made for such a refund.

My Committee approve of the scheme of the Board of Referees referred to in Clause 7 of the proposed Act and also appreciate the comments of the Select Committee on the same. They would recommend to Government that the whole scheme given in Clause 7 should be approved, and that the Indian Merchants' Chamber should have its representatives on the proposed panel.

My Committee would also suggest that in cases where the matter is referred to the Board of Referees, payment need not be made till the decision of the Board is given.

My Committee would further urge upon Government that all the suggestions of the Select Committee regarding the constitution of the Board of Referees and the procedure for their work should be followed. They would like to add that the findings of the Board, with dissenting minutes, if any, should be supplied to the parties.

My Committee are strongly opposed Clause 9, as this will interfere very much with the confidential nature of the proceedings and the documents before the Income-Tax Office.

In conclusion my Committee request Government to be pleased to submit the rules and regulations in connection with this Amending Act to recognised commercial bodies for opinion before they are finally sanctioned by Government.

They trust that Government will be pleased to consider the above suggestions of theirs favourably.

APPENDIX LX

EXTENSION OF THE BENEFITS OF THE PROVIDENT FUND ACT TO PRIVATE PROVIDENT FUNDS

No. D|597-R, 11|29, dated 4th February 1929, from the Government of India, Finance Department.

I am directed to forward a copy of a letter No. F. 92|I F. E.|26, dated the 4th October 1928, addressed to local Governments and Administrations, and of its enclosures, on the above subject.

No. F. 92|1-F. F.|26, dated 4th October 1929, from the Government of India, Finance Department, to all Local Governments.

I am directed to refer to Mr. Rau's letter No. 204-F.E., dated the 30th January 1923, to the Bombay Chamber of Commerce, a copy of which was sent to the Government of Madras etc., with his endorsement No. 205-F.E., of the same date, communicating the decision of the Government of India not to proceed with the proposal to extend the benefits of the Provident Funds Act to provident funds established by firms or companies.

2. The Associated Chambers of Commerce of India and Ceylon passed a Resolution at their 8th Annual General Meeting held at Cawnpore in December 1926 recommending that the Provident Funds Act, 1925, should be amended so as to extend its provisions to properly constituted provident funds of firms, companies and associations. Sir Basil Blackett, then Finance Member of the Governor-General's Council, who was present at the discussions leading up to the adoption of the Resolution, promised to re-examine the matter. Consideration of the question was then resumed. At their next Annual General Meeting held at Calcutta in December 1927 the Associated Chambers re-iterated their previous proposal.

3. The Government of India after careful reconsideration have formed the opinion that it would be justifiable to confer upon such private provident funds immunity from income-tax on the subscriptions of individuals and on the interest of securities held by the trustees of a fund provided that the provident funds are of such a nature that

(a) the regulations are approved by Government and the accounts are open to inspection by Income-Tax authorities;

(b) the subscriptions of employees cannot be finally withdrawn from the Fund, except in the event of dismissal, retirement or death, or in compliance with a process of law;

(c) the employers' contributions are irrevocable save in the event of the misconduct of the employee;

(d) the employer is in no circumstances permitted to forfeit the employee's subscriptions; and

(e) the Funds are created as trusts. They are still not prepared to extend to such private provident funds the benefits of the Provident Funds Act. I am to enclose a copy of the Resolutions, and of the connected proceedings.

4. The Government of India have also received suggestions that all the privileges conferred by the Provident Funds Act, 1925, should be extended to certain **quasi**—Government provident funds, for instance, the Indian Central Cotton Committee's Provident Fund and the United Provinces Court of Wards Provident Fund. I am to enquire whether ..... you consider that action in this direction is desirable and if so whether you would recommend (a) the grant of full privileges or (b) the grant of immunity from income-tax only. I am also to request that the **quasi**—Government institutions for which any concession is recommended may be specified. The Government of India are disposed to give the full concessions in the case of the Provident fund of the Indian Central Cotton Committee.

5. The Government of India would be prepared to legislate so as to grant concessions on the lines indicated above. Before, how-

ever, undertaking legislation, they will be glad to be furnished with your opinion on the matter, at an early date.

Copy of Resolution adopted at the eighth Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon held at Cawnpore on the 6th and 7th December 1926.

That this Association recommends that the Provident Funds Act, 1925, be amended so as to extend its provisions to properly constituted Provident Funds of Firms, Companies and Associations.

Proceedings

AMENDMENT OF PROVIDENT FUNDS ACT, 1925.

(*6th December*, 1926.—*The President in the Chair.*)

Resolution No. 6.

President:—Sir Basil Blackett has now informed me that he is also going to reply in regard to Resolution No. 6. I, therefore, propose to go back to that resolution now and I will ask the Bombay Chamber to move it.

The Hon'ble Sir Arthur Froom (Bombay):—Sir, I have the honour to move, on behalf of the Bombay Chamber:—

> **"That this Association recommends that the Provident Funds Act 1925, be amended so as to extend its provisions to properly constituted Provident Funds of Firms, Companies and Association."**

Before I proceed to speak on this resolution, I should like to say that the Bombay Chamber has this one so much at heart that if the gentlemen at the other end of the room at any time cannot hear the few remarks I have to make, I shall not resent their requesting me to speak up. We attach the greatest importance to this resolution.

In January 1921 the Bombay Chamber of Commerce approached the Government of India with the request that the benefits of the Provident Funds Act of 1897 should be extended, beyond the subscribers to Government and semi-Government Provident Funds, to subscribers to similar Provident Funds set up by Firms, Companies

and Associations in India. I have the honour of being Chairman of the Bombay Chamber at that time and I well recollect the regret we felt at Government not acceding to what we thought was a most reasonable request.

The Provident Funds Act of 1897 was repealed last year and replaced by an amended and more up-to-date measure which now stands as the Provident Funds Act, 1925, and we feel that the time has come to renew our recommendation to Government and in doing so we have every confidence that this time it will be favourably received.

The chief benefits conferred by the Provident Funds Act are:—

(1) The contributions to the Fund are exempted from income-tax.

(2) Compulsory deposits in the Fund are immune from attachment.

(3) Interest on securities held by the Fund is exempt from income-tax.

(4) The amount standing to the credit of a deceased subscriber is handed over to the widow free from any debt or liability incurred by the deceased or the widow, before the subscriber's death.

Now we cannot conceive that Government will persist in the attitude that these benefits, which were agreed to last year by an elected Legislative, the Council of State and the Legislative Assembly, should remain preserved only for Government servants or quasi-Government servants. We do not of course suggest that the benefits of the Act should be conferred upon all and any funds, described as provident funds, but only to provident funds which are registered and comply with certain rules. These rules should embrace a proviso that:—

(*a*) A member or his estate, has no claim on the Fund except in the event of his dismissal or retirement from service or on his death.

(*b*) The employer's contributions are irrevocable.

Now, Sir, this Meeting will at once recognise that, in putting forward this resolution, the Bombay Chamber is seeking to benefit a large class of workers in India and to remove the intolerable position in which private employees are placed in respect of provident funds, as compared with Government, Municipal, Ports and Railway servants. I have already referred to the benefits conferred upon privileged employees under the Provident Funds Act of 1925, but one of the chief disabilities suffered by non-privileged employees may not be generally known. The Income-tax Act provides that the accumulated balance contributed by the employer, at the credit of a subscriber to any Provident Fund, not recognised under the Provident Funds Act, is liable to income-tax in the year in which it is drawn. The hardship of this is obvious; apart from it being a wrongful tax upon what might be regarded as a commuted pension, it unreasonably swells the employee's income in that year and brings him on a higher scale of tax—possibly even to super-tax—to which he would not otherwise be, and should not be, liable any more than a Government employee is liable.

We are anxious to promote thrift and lessen distress in old age and among widows. In company with the All-India Income-tax Committee we regard provident funds in the nature of an insurance and contributions and payments should be exempted from income-tax in a similar way as insurance premiums and payments are exempt.

Government's objections, some years back, to including private provident funds within the scope of the Act related mainly to apprehended difficulties of registration. We agree that registration is essential but we think that the real or fancied difficulties of a few years ago will not be found insuperable now. Since that time, legislative measures have been initiated by Government involving registration of a far more complicated nature and on a very much greater scale than what would be necessary with an extended Provident Funds Act. I have in mind the Workmen's Compensation Act. What an outcry there would have been if Government had sought to confine the benefits of that Act to public servants and why should the privileges of the Provident Funds Act be restricted where those of the Workmen's Compensation Act have not been. Nowadays I have greater faith in Government's administrative abilities than they had

themselves when they declined a few years back to agree to the proposal which forms the subject of our resolution to-day. I hope they will see their way to accede to our proposal now and put right what we consider to be a very great wrong.

Sir, I have much pleasure in recommending this resolution. (Applause.)

Mr. A. H. Silver (Upper India):—Sir, on behalf of the Upper India Chamber I should like to say we heartily support Sir Arthur Froom's resolution. I might say that he has rather sprung a mine upon us. We perhaps foolishly imagined that he was going to demand that companies' contributions to a provident fund should be immune from income-tax and we rather prided ourselves that we were going to point out to him that this had already been agreed to in effect in 1925. The hardship which Sir Arthur Froom mentions is a very real hardship. There must be many cases known to employers in which an employee has left after long and faithful service and receives quite a handsome sum in a lump which he fondly imagines is going to be a useful nest-egg to him, and it would come as a great shock to him if he were made to part with the large amount which would be demanded if this deduction be insisted upon. Indeed, in many cases our employees, after long service, proceed to England and leave arrangements for their provident fund to be settled up here after they have gone. What is to happen? Is the employer to be told by the Income-tax Authorities, "before you pay this sum to that employee this large amount of income-tax must be deducted?" To my knowledge it has not been done hitherto, and as we have told our employee when he agreed to subscribe to the Fund that this sum, on his retirement, would be his absolute property, we would be morally if not legally compelled to pay the whole amount to him. He is now in England and the Income-tax Authorities will have to follow him to his home there. This is a case in which we are appealing rather to the human sympathy of Government, and I hope that in the kindness of their hearts in these days of full budgets they will be able to forego any little claim they think they have upon this sum.

The Hon'ble Mr. J. W. A. Bell (Bengal):—Sir, on behalf of the Bengal Chamber of Commerce I should like to support very strongly the resolution put forward by my friend Sir Arthur Froom,

which has been so ably supported by my friend from the Upper India Chamber of Commerce. In regard to the question of the employee himself that point has been fully dealt with by Sir Arthur Froom and therefore I do not propose to go into it beyond endorsing what both my friends have said that it seems very hard that a private employee should be at such a considerable disability as compared with an employee of Government. When Government were addressed on this subject some time ago they gave certain reasons why they were unable to accede to the wishes of the Chambers of Commerce with regard to giving the beneficiaries of private provident funds the same advantages as those that are enjoyed by the beneficiaries of Government provident funds and it seemed to me at the time that these reasons were not very substantial. Perhaps it is wrong to say they were not very substantial, but they did not present any serious difficulty. I have them before me now. Government said, in the first place, in order to do what was required they would have to make various safeguards regarding the registration or admission of firms to the privileges under the new Act; secondly to set up an authority for the purpose and thirdly to amend the provisions of the Civil Procedure Code seeing the legislation would involve restrictions on the rights of creditors. It does not seem to me that anyone of these things presents any serious difficulty, and in view of some of the legislation that has been put through by the Government of India in the face of considerable difficulties these appear to be very trifling indeed. The whole thing could be done in a very short Act, merely performing an act of bare justice to a very deserving set of people, the employees of private firms who may never rise to a position in which they can amass fortunes, and who look upon the contributions they receive from provident funds on retirement as the provisions for the evening of their days. I agree with my Honourable friend Sir Arthur Froom and have considerable faith that the Government of India, on re-examining these objections, will find they are not so serious as apparently at one time they expected them to be, and that they will see their way to perform what after all is an ordinary act of justice to these people.

Mr. G. L. Winterbotham (Bombay and Burma):—Sir, on behalf of the Bombay and the Burma Chambers of Commerce I rise strongly

to support this resolution, and I should like, if I may, to put the case in as strong a light as it is possible to put it without exceeding the limit. I would first of all say that I do not share the Hon'ble Sir Arthur Froom's and the Hon'ble Mr. Bell's faith in Government, and for this reason: though this particular resolution has not yet been before them, the hardship of members of private provident funds being taxed on the year of their retirement on the employer's contributions during the whole period of their service has recently been made a matter of reference to the Central Board of Revenue, and to say that the reply from Government is unsatisfactory is to use language which is designedly polite. It is as a matter of fact an answer of which, if I had been in charge of the department concerned, I should have been ashamed because it is facetious and it does not seem to realise that there are definite hardships involved. I would then issue a note of warning to those people who are interested in private provident funds. It is perfectly true that cases of hardship have not yet arisen but the matter has been simmering and they are bound to arise very shortly. The growth of provident funds in this country is of comparatively recent date, but I happen to be interested myself in the management of a fund which dates back to 1904 and you will therefore readily understand that already cases are occurring where members of that fund are retiring. As far as we can make out they will in due course be definitely taxed, as has been explained by the Honourable Sir Arthur Froom. It is a point which will strike all members interested in private provident funds more forcibly as time goes on and as their members come to be hit as they retire. It is perfectly true that they have not been hit yet, but they are going to be hit. It is the direct result of an amendment of the Income-tax Act in 1924 which gives firms the right of including as a charge on the profits of their business of the year in which an employee leaves the firm's total contributions to the member's fund during the whole period of his service. Well, Sir, these are the facts briefly. The situation is coming rapidly to a head. I would draw the attention of the Conference particularly to the fact that if the hardship of the rate of income-tax to be paid has not received the sympathetic consideration of the Government of India, it is hardly likely that unless pressure is brought to bear, the Government of India will consider this resolution sympathetically? So let us not be unduly optimistic and

let us realise from the start that this is a very important subject and that every effort should be made to impress its importance on the Government. I appeal to Government; they must have their supporters, and they look constantly to some section of the community to support them. This is a matter on which increasing resentment will be felt as years go by and I strongly urge that they really do give their sympathetic consideration to this resolution and remove what Sir Arthur Froom has aptly described as an intolerable anomaly.

The Hon'ble Sir Basil Blackett:—Sir, until the last speaker spoke, I felt almost tempted to give a sympathetic reply. He has almost tempted me not to do so; but I will not be drawn away from my previous intention by the very hard things he has said or implied about the Government of India and the Finance Department in particular. I would rather follow the line of sweet reasonableness which was followed by the earlier speakers. I was under some misunderstanding as to the meaning of this resolution until a few days ago until I had the opportunity of a discussion with Sir Arthur Froom in regard to it. I should like to say at once that anything which is designed to encourage the virtue of saving always appeals to me, and if there is some hardship in the present position, I should be extremely glad to be able to assist in getting rid of it. I do not know whether the last speaker would be prepared to admit the very great difficulties and complexities of this subject, but I understand that it has been under discussion since 1886 in one form or another and it continually recurs. I am tempted to suggest—and it was a suggestion I felt inclined to make in regard to the resolution which we were discussing just now about the Bill which the bankers of Bombay want—that Mr. Bell and Sir Arthur Froom should put their heads together and introduce the simple Bill that they believe would deal with the difficulty. I do not want to take up further time in this Conference by going into the minutiae, of the administrative and other difficulties which arise, but I am perfectly prepared, on behalf of the Government, to say that we shall be very glad to re-examine, with I hope the assistance of Sir Arthur Froom and Mr. Bell, and possibly even of the representatives of Burma, the possibility of introducing the amendments into the law which are required to get rid of some of the grievances which are felt. There will of course have to be considerable give and take if any happy solution

is to be reached. It is obvious that concessions cannot be given in regard to funds where the employers' contribution is not irrevocable, and there are other difficulties of that sort. Whether we can arrive at a satisfactory solution I do not know and I should be very glad indeed if Sir Arthur Froom and Mr. Bell would assist us by drafting their simple Bill as a start.

The Hon'ble Sir Arthur Froom (Bombay):—I thank the Hon'ble Finance Member for his sympathetic reply and I feel that we can rely upon him to move in this matter. I only get up again to remind the Honourable Member that it is very nearly six years since the Bombay Chamber introduced this question, which had been on the tapis before, in the present form, so a good deal of time has elapsed, and I might ask the Honourable the Finance Member if he would accept a suggestion from us that much more time should not now expire before some action is taken. As regards the simple Bill that my friend Mr. Bell and myself might draw up, I am quite prepared to draw up a Bill and Mr. Bell would help me, or I would help Mr. Bell to draw up a Bill; but I am not quite sure that our Bill would be accepted by Government. I think it would perhaps be best if we heard what Government would draw up. My idea is to get on with it and to remove what is an injustice at present.

Resolution No. 6 was put to the Meeting and carried unanimously.

Copy of Resolution adopted at the ninth Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon held at Calcutta on the 19th and 20th December 1927.

This Association urges the Government of India to recognise the inequity that exists between the treatment of Government employees and the employees of Firms, Companies and Associations with reference to the benefits they receive from Provident Funds, and recommends that the Provident Funds Act of 1925 be amended so as to extend its provisions to all properly constituted Provident Funds.

Proceedings

PROVIDENT FUNDS.

(19*th December*, 1927.—*The President in the Chair.*)

The Hon'ble Sir John Bell (Bengal):—On behalf of the Bengal Chamber I beg to move the following resolution:—

This Association urges the Government of India to recognise the inequity that exists between the treatment of Government employees and the employees of firms, companies and associations with reference to the benefits they receive from provident funds, and recommends that the Provident Funds Act of 1925 be demanded so as to extend its provisions to all properly constituted provident funds.

The Bengal Chamber makes no apology for moving a resolution in very similar terms to that which was unanimously adopted by the Association at the annual meeting a year ago. The resolution was then moved by my friend Sir Arthur Froom on behalf of the Bombay Chamber, and I was glad to have the opportunity of supporting it. The ground was then so fully covered by Sir Arthur and the other speakers that it is perhaps not necessary for me to detain the conference long, particularly in view of the very sympathetic reply which was then given by the Hon'ble Sir Basil Blackett. It is, however, desirable that we should bring prominently to the notice of Government that events which have since taken place show quite clearly that the attitude of Income-tax officers is by no means sympathetic to provident funds in general.

As an instance, I should like to refer to the attempts which have been made in several provinces to maintain a position that we contend is absolutely untenable and that the authorities themselves now recognise cannot be insisted on. Employers have been informed that at the time when an employee leaves their service and draws his provident fund, they must, before paying over the amount to him, deduct income-tax from the portion of the fund which represents the employer's contribution. In Bengal at any rate the position was in fact advanced that payments of provident fund should have been shown in the annual return under section 21, and it has been pointed out to the authorities that this contention cannot be admitted. In most cases provident funds rules provide for the administration of the funds by trustees, and payments to retiring employees are made, not by the employers but by the trustees, whereas the annual return under section 21 is a return submitted by the employer. As I have said, the authorities themselves now admit that their contention cannot be maintained, in the case of properly constituted funds, but apart from this, the fact that demands are being made for the payment of income-

tax on the amounts paid to employees of the accumulated contributions which employers have made to provident funds will do away with the advantage which was gained by the concession that such contributions would be allowed as a charge against the employer's income. That is to say, Government are taking from the unfortunate employee what they have given up so far as the employer is concerned.

There is the further grave objection that if the sum received by an employee on account of his employer's contribution to his provident fund is included in one year's assessment, the amount will probably be liable to taxation at a much higher rate than if it had been taxed each year in the hands of the employee. In many cases indeed —particularly in the case of Indian employees—the individual would be called upon to pay tax for which he would never in the ordinary course have been liable; and in some cases the amount would even bring him within the super-tax limit.

My feeling is that Government have never given any adequate answer to the demand of the mercantile community that employees of private firms should receive the same advantages with regard to provident fund benefits as are enjoyed by employees of Government. The only objections offered by Government so far have been three in number. In the first place they have told us that the change embodied in the resolution would necessitate various safeguards with regard to the registration or admission of firms, etc., to the privileges of the Act; in the second place it would necessitate, they say, the setting up of a special authority for this purpose; and in the third place they would require to amend the provisions of the Civil Procedure Code, as restrictions on the rights of creditors would be involved. As I said at Cawnpore, I see no difficulty whatever in amending the law in order to meet these objections, more particularly when it is remembered that no Department of the Government of India have shown themselves so expert in the amending of existing Acts as the Finance Department. Their objections scarcely seem tenable when it is remembered that they have introduced seven Acts amending the Income-tax Act of 1922, and that they introduce rules which have the effect of altering the meaning of the Act almost every month. I consider that it is imperative that Government should take immediate action with a view to doing what is only bare justice to the employees of

private firms and companies whose only provision for old age is in many cases the amount they receive from their provident funds, and with a view to removing the impression that Government desires to grant privileges to their own employees which they withhold from the employees of private firms and companies.

I beg, Sir, to move the resolution.

Mr. G. L. Winterbotham (Bombay):—Mr. President, last year I was foolish enough to show, when I spoke to the resolution then moved on this matter, that I in common with many others felt very strongly on the subject; and perhaps I used language which was not very tactful. Anyhow I was suitably dealt with and was made to feel extremely small. But I still say that if there is strong feeling on any point some means or other must be devised to bring it to the notice of Government. Though I shall be very much more careful this year, being a year older, I hope that the members of Government will not carry away from this discussion a feeling that this is a hardy annual to which no particular attention need be paid. I should like Sir, to ask the Bengal Chamber whether they would be prepared to consider an amendment to their resolution. What I feel about their resolution this year is that in effect it is only hammering at a door which we were successful in opening last year. What we want is to make some further progress, the door having been opened; and my Chamber feels very strongly that the best method of achieving this would be by the Government of India following the lines indicated by the Honourable Sir Basil Blackett when he spoke sympathetically—except as regards myself—last year and said that he would be very pleased to go into the subject with the assistance of Sir John Bell, Sir Arthur Froom and others of our representatives. What I would like to suggest is that the resolution this year should be amended to provide for the appointment of a Committee, on which the Association should be represented, to examine all the facts of the position regarding the law as it at present stands in respect of income-tax on provident funds before coming to conclusions on the major point, namely, the necessity (or otherwise) of the amendment of the Provident Funds Act. It cannot be denied that the present law is very far from being universally accepted, as it is apparently interpreted by the Government of India's legal advisers. Sir John Bell in his

opening speech moving the resolution has referred to the fact that only comparatively recently the Central Board of Revenue has had to recognise that where a fund is constituted as an irrevocable trust for income-tax purposes there is no liability on the trustees to deduct tax at source when settling up the accounts of members of provident funds on death or retirement. That is one instance of the way in which the present law is very far from being clear. There are other instances and I would only give one. The Government of India's attitude is that they are advised that income-tax is due under the head of "salaries" not only on the accumulated contribution of employers but also on the interest thereon. The Bombay Chamber have taken up the point, and have advised all their members that this is an absolutely untenable position on the part of the Government of India, and sooner or later some case will have to take to appeal to test whether the Government of India or the Bombay Chamber is right. I should particularly value Sir Alexander Murray's views on the particular question as to whether "interest" under any circumstances could come under the head of "salaries", and if he would give his views to the Association it would considerably strengthen the case.

Well, Sir, there are many other points, and one in particular I hesitate to touch on because we do not want to give any point in our favour away to the Government of India for fear that they should introduce legislation not to ameliorate the lot of members of private provident funds, but to make it harder. But you may take it from me that the position at the moment is that there is differentiation between members of the same fund; that is to say, that one man can get away without having income-tax deducted at source while another man cannot. That to my mind is one of the strongest arguments to use in urging on Government to recognise the present very unsatisfactory position.

We do not alter our ground that the essential thing is to get the Provident Funds Act, 1925, amended so as to apply to private provident funds in addition to Government and quasi-Government funds But we do think that before a decision on that point is reached by Government it would be very desirable indeed to have the whole question examined very thoroughly by a small committee with a view to

bringing out the present position and the very unsatisfactory state of affairs existing. I should like to propose an amendment as follows:—

With reference to the resolution unanimously passed in December 1926 that the Provident Funds Act, 1925, should be amended so as to extend its provisions to all properly constituted provident funds, this Association urges on Government the desirability of appointing a Committee on which this Association should be represented to examine and report on—

(a) the present law and practice in connection with income-tax in respect of provident funds;

(b) the best method of giving effect to the above quoted resolution.

It seems to the Bombay Chamber that the only argument that could be adduced against this is that by the appointment of a committee the whole question might be shelved indefinitely. Well, Sir, I might have said on a past occasion that I have no confidence in the Government of India, but I should like to say on this occasion that if such a resolution was passed by the Associated Chambers I have every confidence that the Government would apponit a committee and deal with the question within a reasonable time. I said last year and I repeat it, that managers and members of provident funds do not yet fully realise the position, for the reason that provident funds are of recent growth. And I would again repeat a year later that in spite of letters and circulars and of the Associated Chambers' resolution last year there are many managers, trustees and members of private provident funds who still do not know what the law is as stated by the Government of India and what their position is as regards taxation when they come to retire. I do feel that there are so many people involved, and that the present inequalities are so very great, that it would be very desirable indeed to have the whole thing threshed out by a properly constituted committee before any dcision on the matter is reached. The danger is that on the point of inequity the Government may say "we regret we cannot meet you, the difficulties are too great." We would then be left in exactly the same position in which we were before, and we would have this extremely difficult problem to tackle all over again. To my mind it would be infinitely preferable that the

Government of India should have the whole position fully before them before they come to any decision. I would again repeat that our reason for thinking that the Government of India have not got the whole position fully before them is that only recently they have had to change their ground on one point, and there must be other points when the position is so inequitable as between members of the same fund, and the whole question requires further investigation.

I should like to hear whether the Bengal Chamber would be agreeable to consider my suggestion.

The Hon'ble Sir John Bell:—Mr. President, I am very much indebted to Mr. Winterbotham for the remarks he has made and for the explanations he has given in regard to his amendment. At the same time I would like to point out the consequences of the course he suggests. In the first place he said that he objected to the resolution put forward by the Bengal Chamber on the ground that it was hammering at a door that had been opened last year. Well, to my mind, with due deference to Mr. Winterbotham, I think that is an argument in favour of the Bengal resolution. Why was the door opened last year? It was opened because the representative of the Government of India considered that the suggestion which was made by the Association, by Sir Arthur Froom and those who supported him, was a reasonable proposal. I am quite sure that in some cases members of Government are very much tied down as to what they may say at a meeting such as this, but I have usually found them in discussing, a matter of this kind to be eminently reasonable personally, whatever they might be officially. I have had an opportunity of discussing this question with a number of members of the Government in both Delhi and Simla, and they entirely see the the force of the contention of the Bengal Chamber and the Bombay and other Chambers who have spoken on this subject, that it is not a reasonable thing that employees of Government should in this particular connection be placed at an advantage over the employees of private firms; or rather I should put it the other way about, that they recognise that it is unreasonable that employees of private firms should be placed at a disadvantage as compared with the employees of Government. Then again, the establishment of provident funds is carried out by private firms not in their own interests but in the interest of their employees, and more particularly in the interests

of a certain class of employees who deserve very great consideration. There must always be a certain number of people who earn a great deal more money than other people, but that does not mean that these other people are not deserving of consideration in the matter of provision for their future. The establishment of provident funds is carried out by employers in order that deserving employees who have not had an opportunity of accumulating large fortunes should at least be able to look forward to the future with the assurance that some substantial provision has been made for the years of their retirement. I think it is very unfortunate that the attitude of Government should be such as to hamper the efforts of employers in making this provision inasmuch as they impose a somewhat unreasonable tax which is taken from the employee at the time that the provident fund is paid to him, and thus they minimise the advantage which the employer has placed in his way.

As an alternative to hammering at a door which has already been opened my friend Mr. Winterbotham proposed the appointment of a committee. Well, I think that perhaps Mr. Winterbotham did not realise the extent to which he was playing into the hands of Government by suggesting the establishment of a committee. There is nothing that Government appreciate so much, and nothing that they concede so eagerly, as the appointment of a committee. They know perfectly well that it will take a year, or two years, or perhaps three years, before the committee is appointed and before they get the necessary sanction from the Legislature. They have a way of working these things which we do not understand. But the net result of such a recommendation would be that it would be probably three years before this committee was appointed, and then there would probably be an equally long interval of time before the report of the committee was submitted to Government; and I cannot even venture to suggest what period of time would elapse after that before Government would arrive at a decision with regard to the report. While therefore I accept the reasonableness of of Mr. Winterbotham's suggestion that a committee should be appointed, I feel that it would be delaying the settlement of this question for an indefinite period. I would however leave it very much to the members who are present here, and if Mr. Winterbotham's amendment appeals to them, and if they think that the appointment of this committee would be a suitable solution of the

question before us, or that it would bring about a suitable solution. I am quite agreeable on behalf of the Bengal Chamber to accept the suggestion.

Mr. G. L. Winterbotham:—May I say one word in amplification of Sir John Bell's last remark? I entirely understand his point of view and the only reason why the Bombay Chamber of Commerce would like an expression of opinion on their amendment is that there is a danger of a decision being taken, possible unfavourable to members of provident funds, without all the facts being taken into consideration, and it is on that ground and on that ground alone that we suggest the appointment of this committee.

The Hon'ble Sir Bhupendra Nath Mitra:—When this resolution was moved last year at Cawnpore Sir Basil Blackett, on behalf of Government, said that "we shall be very glad to re-examine, with the assistnace of Sir Arthur Froom and Sir John Bell and possibly even of the representative of Burma, the possibility of introducing the amendments into the law which are required to get rid of some of the grievances which are felt". I believe that after this statement Sir Arthur Froom and Sir John Bell were prepared to leave the matter in the hands of Government. Sir Basil Blackett accordingly gave instructions that the consideration of the matter should be actively resumed, and it has been so resumed. At the same time, Sir Basil Blackett referred to the great difficulties and complexities of the subject. Well, the representatives of various Chambers of Commerce may, or may not, accept that statement, but it is a fact. In fact if the difficulties had not been considerable—I do not say they are insuperable—Sir Arthur Froom or Sir John Bell might have themselves prepared a draft Bill and placed it before the Legislature. They have a right, as members of the Legislature, to do so subject, of course, to the Bill getting through the ballot. The Government of India have come to certain provisional conclusions and they will now consult Provincial Governments from whom came the strongest objection in 1921, when the matter was last considered by the Government of India. At the same time we cannot ignore them, for you heard this morning from H. E. the Governor of Bengal, that the Provincial Governments do consider it important that they should be consulted in regard to matters which affect income-tax law. After they have received the opinions of Provincial Govern-

ments, whether the Government of India will still find it possible to proceed with the measure is more than I can say at the present moment. If the Provincial Governments on the present occasion raise no serious objection, how long it will take the Government of India to present a Bill to the Legislative Assembly is again more than I can say.

Sir John Bell in his speech referred to the fact that in recent years the Government of India have placed before the Legislature, and on the statute-book, a number of amendments to the income-tax law, and I understood him to say that the Central Board of Revenue or some other subordinate authority is producing every month new statutory rules, much to the annoyance of Chambers of Commerce. Sir John Bell does not know the number of months' work which has preceded the introduction of any particular measure in the Legislative Assembly. Anyhow, as I have already stated, the position of the Government in regard to this particular measure is as follows. They have resumed the active consideration of the matter with reference to the proposals which were debated by the Associated Chambers of Commerce at their meeting in Cawnpore. They have arrived at certain tentative conclusions, which include the provision of safeguards to prevent the possible evasion of tax because, as the Provincial Governments pointed out on the last occasion, an absolute extension of the present Provident Funds Act to the provident founds of companies or business firms may lead to a good deal of evasion of the income-tax law. The Government of India are about to consult Local Governments, and there the matter rests so far as we are concerned.

The President:—The amendment of the Bombay Chamber before the meeting is as follows:—

With reference to the resolution unanimously passed in December 1926 that the Provident Funds Act, 1925, should be amended so as to extend its provisions to all properly constituted provident funds, this Association urges on Government the desirability of appointing a Committee on which this Association should be presented to examine and report on—

(a) **the present law and practice in connection with income-tax in respect of provident funds;**

(b) **the best method of giving effect to the above quoted resolution.**

The amendment was put to the meeting and lost, and thereafter the President put the original resolution as follows, namely:—

This Association urges the Government of India to recognise the inequity that exists between the treatment of Government employees and the employees of firms, companies and associations with reference to the benefits they receive from provident funds, and recommends that the Provident Funds Act, 1925, be amended so as to extend its provisions to all properly constituted provident funds.

The resolution was carried unanimously.

The Conference then adjourned for lunch till 3 o'clock.

No. 312, dated 11th February 1929, from Chamber to the Government of India, Finance Department.

I am directed to acknowledge receipt of your letter No. D|591-R. 11|29, dated the 4th February 1929, forwarding a copy of Government letter No. F. 92|1 F.E.|26, dated the 4th October 1928 addressed to local Governments and Administrations, and of its enclosures, on the above subject.

My Committee are surprised to find that the above letter on such an important question should take so many months to be forwarded to them, and regret that the same was not sent earlier so as to enable them to express their views on the question in time. They are, however, considering the matter and their opinion will be forwarded to Government in due course.

No. 514, dated 28th February 1929, from the Chamber to the Government of India, Finance Department.

With reference to the correspondence ending with this Office No. 312, dated the 10th February 1929, on the above subject, I am directed by the Committee of this Chamber to submit their views thereon as under:—

My Committee are glad to note that the Government of India have after careful consideration formed the opinion that it would be justifiable to confer upon such private provident funds immunity from income-tax on subscriptions of individuals and on the interest of secu-

rities held by the trustees of a fund, provided certain conditions were fulfilled by the said funds. They are, however, sorry to observe that Government are still not prepared to extend to such private provident funds all the benefits of the Provident Fund Act. I am, therefore, directed by my Committee to request Government to be pleased to extend all the benefits of the Indian Provident Fund Act to the private provident funds.

No. F|92-I-R. 11|26, dated 1st June 1929, from the Government of India, Finance Department to all local Governments and Administration

I am directed to invite a reference to the letter quoted above, and to say that the Government of India have decided that (1) all the concessions enjoyed by Government and Railway Provident Funds under the Provident Funds Act of 1925, should be extended to quasi-Government Provident funds at the discretion of the Government of India in each case, and (2) that the income-tax concessions only should be given to properly constituted provident funds of private firms, companies and associations to the extent set out in the enclosure to this letter. It will be necessary to amend both the Indian Income-Tax Act and the Provident Funds Act in order to give effect to these concessions, and the Government of India hope to introduce the necessary legislation for the purpose in the next session of the Legislature. In the meantime, I am directed to request that (with the permission of His Excellency the Governor in Council), you would be so good as to furnish the Government of India with a complete list of the quasi-Government provident funds in the province of Madras|Bombay, etc., and in respect of each such fund with the particulars which in the opinion of the Local Government warrant its being classified as a quasi-Government Provident Fund. The Government of India would be glad to receive a reply by the 1st July 1929, if possible.

2. There is one feature in the proposals relating to the provident funds of private companies, etc., which may seem to require special explanation, namely, the provision that the sum of the contributions of the employer and the employee shall not exceed 1|6 of the salary of the latter. One of the main contentions of those who support the claims of private funds is that subscribers to such funds

should be enabled to secure the same concessions in respect of income-tax as individuals who subscribe for a life insurance policy. In one important respect it is proposed to make the conditions applicable to these funds more favourable than the conditions obtaining in the case of life insurance: since it is proposed, on the analogy of the exemption enjoyed by provident funds to which the Provident Funds Act applies that the income derived from the investments of the funds should be free from income-tax. It is in consideration of this that it has been thought justifiable to restrict the benefits in other directions, and, in particular, in the direction indicated in the beginning of this paragraph.

Enclosure to Finance Department letter No. F. 92-I-R. II|26, dated the 1st June 1929.

Provident Funds—Concessions—Extension to non-Government Funds.

The Funds to which the Provident Funds Act, 1925, applies are the following:—

(1) Government Provident Funds,

(2) Railway Provident Funds.

(3) Funds of local authorities to which the Act has been extended by the Local Government.

2. The advantages which these Funds enjoy at present are the following:—

(1) Under the Provident Funds Act, 1925:—

(a) Compulsory deposists may not be assigned or charged by the subscriber or depositor and shall not be liable to attachment during his life-time.

(b) The deposits left by a deceased subscriber or depositor are free from any debt or other liability incurred by him or by his dependants before his death.

(c) Sums not exceeding Rs. 5,000 can be paid to the heirs concerned without strict legal formalities.

(2) Under the Indian Income-Tax Act, 1922:—

(a) Contributions made to the Provident Fund by the employee are exempt from income-tax (but not su-

per-tax) but included in his "total income"—that is, for determining the rate of tax on his other income.

(b) Interest on securities which are held by or are the property of the Fund is exempt from income-tax and super-tax.

(c) The accumulated balance at the credit of the employee—including both his and the employer's contributions and interest on such contributions—is, when paid, exempt from income-tax and super-tax and is also not included in his total income, that is, for determining the rate of tax payable on his other income.

The question of deducting employer's contributions from the taxable profits of the employer does not ordinarily arise in the case of the Provident funds to which the Provident Funds Act, 1925, applies, because neither Government nor local authorities nor, except in some cases, Railways are liable to pay tax. Those Railways which are liable to pay tax are allowed to deduct the contributions above referred to from their taxable profits.

3. It is proposed to extend all the above concessions to quasi-Government Provident Funds. The list of such funds accepted as falling within the intention of the concession will be compiled by the Government of India and will be entered in a schedule to be added to the Provident Funds Act. Power will be taken in the Act to enable the Government of India to add to the Schedule from time to time.

4. It is also proposed to give the income-tax concessions only to such Provident Funds or private firms, companies and associations as are established under irrevocable trusts and have been approved by the Commissioner of Income-tax, acting under instructions issued from time to time by the Governor General in Council. The concessions will be subject to the following conditions:—

(1) The concessions will only be allowed in respect of employees who are employed in India or under an

employer whose principal place of business is in British India. Where the employee earns and receives his salary outside British India, his salary will not ordinarily be liable to tax, and the need for the concession in paragraph 2 (2) (a) above will not arise.

(2) Contributions made by the employee will be exempt only to the extent that the aggregate of such contribution and the contribution of the employer and of the sums paid to effect an insurance on the life of the employee or of his wife does not exceed one-sixth of the total income of the employee.

(3) The accumulated balance at the credit of an employee will, when paid, be exempt from Income-tax and excluded from his total Income only if he has rendered five years' service under the employe's; but the Commissioner of Income-tax, at his discretion, may allow exemption from tax and exclusion from total income of the amount paid if he is satisfied that the employee's service, has been terminated on account of ill-health or from some cause beyond his control such as the contraction or the discontinuation of the business or undertaking in which he has been employed.

5. The initial conditions which the Funds of private firms, companies and associations must observe in order to secure the approval of Commissioners of Income-tax will be as follows:—

(1) The concessions will be allowed only to the regularly constituted Provident Funds in which contributions —both employers' and employees'—are determined on the basis of salary and paid into the Fund (i) in the case of contributions by the employee, immediately after deduction from his salary and (ii) in the case of contributions by the employer,, at such intervals not exceeding one year as the latter may

determine. Casual bonuses will not get the benefit.

(2) No concession will be allowed in respect of the employer's contribution to the extent that such contribution exceeds the contribution made by the employee.

(3) The sum of the contribution of the employer and the employee shall not exceed one-sixth of the salary of the latter.

(4) The employer shall not be entitled to recover or receive from the Fund any sum paid by him except in cases where the subscriber is dismissed for misconduct or, save in the case of ill-health, leaves the service of the employer of his own accord before completing the period of service specified in the rules of the Provident Fund.

(5) An employee of a private company, who is also a shareholder, shall not be eligible to contribute to the Fund on a higher basis than a salary of Rs. 1,500 per mensem.

(6) Trustees of the Fund will be empowered and also be bound to deduct tax when paying accumulated balances which are not exempt from tax, and to retain in the Fund the amount deducted until the subscriber has been assessed in the following year.

(7) The book of the Fund shall be open to inspection by Income-tax Officers and the Fund or the employer, as the case may be, shall furnish to the Income-tax Officer returns, etc. regarding contributions and payments.

6. It would be open to the Commissioner of Income-tax to withdraw his approval to a Fund at any time if he finds that the conditions set out above or prescribed in the instructions which may from

time to time be issued by the Governor-General in Council have not been fulfilled by the Fund.

7. The extent to which an employer may deduct from his taxable profits contributions made by him to Provident Funds established for his employees will continue to be regulated as laid down at present in paragraph 46 of the Income-tax Manual. That is to say, in so far as such provident Funds are constituted under irrevocable trusts and the contributions made by employers cannot be recovered by them (except as provided in paragraph 5 (3) above) such contributions will be admissible deductions from the taxable profits of the employer. In those cases in which employers do not desire to constitute the Provident Fund under irrevocable trusts for the benefits of their employees, the employer would still be permitted to deduct from his profits the actual payments made by him during the year to employees who have retired or otherwise left the service.

No. 1895|55 dated 5th August 1929, from the Bombay Chamber of Commerce to the Government of India Finance Department.

I am directed to refer to the Government of India (Finance Department) letter to Local Governments No. F|92-1. R. II|26 dated 1st June, in which Government's proposals for dealing with the above matter are outlined. These proposals have been very carefully examined by my Committee who now desire to submit the following points for the favourable consideration of Government.

2. My Committee understand that it is not the intention of Government to make retrospective the concessions which they are prepared to give to Private Provident Funds. The effect of this will be that every Private Provident Fund now in existence will have to be split into two parts, that to which the concessions do not apply and that to which they do. This in itself may not be an insuperable objection but my Committee wish to protest most strongly against the inequity of excluding from the concessions the accumulated balances of all members of Private Provident Funds up to the date on which the proposed new legislation will take effect. In pressing on Government their claim during the last three years that exemption from Income Tax should be granted to such Funds the Chambers have never anticipated that existing members of Funds would be thus pena-

tized if Government conceded the claim and my Committee cannot too strongly urge on Government the desirability of broadening the basis of their proposals to make the concession retrospective so as to apply to the accumulated balances of existing Funds. My Committee cannot refrain from contrasting Government's attitude towards Private Funds in this respect with their proposals in regard to quasi-Government Funds. In the same letter as quoted above Government announce their intention of extending the benefits of the Provident Funds Act to quasi-Government Funds and my Committee understand that the effect of this will be that the whole existing Fund will, when the required legislation is passed, become exempt from tax. If this is so my Committee respectfully beg to point out that inequity could scarcely be carried to further extremes. The basis of the Chambers' claim for exemption of Private Provident Funds from Income Tax is the fact that Government Funds are exempt and I am to say that my Committee attach the greatest importance to this aspect of the case and trust that Government will not allow this injustice to be done to members of existing Private Provident Funds.

3. My Committee note that an initial condition with which all Private Provident Funds must comply in order to secure exemption is that the aggregate of the employer's and employee's contribution should not exceed **one-sixth** of the employee's salary. My Committee fail to appreciate the necessity for this condition which will, if insisted on, entail hardship to the many members of those Funds in which the aggregate of the contributions exceeds one-sixth of the employee's salary. It is quite common for each party to contribute 10 per cent. which makes the aggregate one-fifth. Under Government's proposals the rules of such Funds would have to be altered so as to make each party's maximum contribution 8 1|3 per cent. That is to say that members of such Funds would, in order to qualify for exemption from tax, have to agree to accept a lower contribution from their employers than they are now getting. This would in effect be a reduced salary and my Committee earnestly hope that Government will not insist on this condition especially as there would appear to be no object in it. A limit of exemption is already set by the stipulation that only one-sixth of the employee's income will be al-

lowed tax free and this by itself would effectively guard against an abuse of the privileges proposed.

4. My Committee note from para, 4 (2) of Government's letter above quoted that contributions made by the employee will be exempt only to the extent that the aggregate of such contribution and the contribution of the employer and of the sums paid to effect an insurance on the life of the employee or of his wife does not exceed one-sixth of the total income of the employee. My Committee do not understand why Insurance premiums should be included in the total which will qualify for exemption from Income Tax. In their opinion there is no justification for thus limiting the scope of the benefit proposed to be given and they desire to point out that this again is a disability which Government and quasi-Government Funds do not suffer. The effect of this part of Government's proposals will be to penalize thrift. It is only necessary to consider the case of a married man who is wholly dependent on his salary and who has insured his life heavily to make provision for those dependent on him in the event of his death. Is it fair, my Committee ask, that such a man should receive less relief in the matter of exemption from tax on Provident Fund contributions than the man with independent means and no insurance? They think that the answer must be in the negative and they therefore trust that Government will amend this portion of their proposals to allow Provident Fund contributions to rank for exemption up to the full limit of one-sixth of income.

5. In other respects my Committee have no criticism to make of Government's proposals which seem fair and reasonable. It is necessary, however, to point out that difficult accounting problems are certain to arise in connection with accumulating interest on that portion of Provident Funds which will not be tax free.

6. In conclusion my Committee gratefully recognise Government's willingness to meet the claim of the commercial community in this matter as evidenced by the proposals now brought forward but in the light of the points made above they venture to suggest that it will be very necessary for Government to broaden the basis of their proposals if the benefit of the exemption is not to be confined mainly to new members of newly constituted funds.

No 2004|55, dated 14th August 1929, from the Bombay Chamber of Commerce to Government of India, Finance Department.

I am directed to refer this Chamber's letter No. 1895|55 of 5th August on this subject with particular reference to paragraph 4 thereof in which my Committee argued that Provident Fund contributions should be allowed for exemption up to the full limit of one-sixth of income. In putting forward this argument my Committee had lost sight of the effect of Section 15 (1) and 15 (3) of the Income Tax Act, under which a member of a Provident Fund to which the Provident Funds Act applies has to include any sums paid to effect an insurance on his own life or on the life of his wife in the aggregate of the sum on which he can secure exemption viz. one-sixth of his income. In these circumstances my Committee realise that their point could only be met by an amendment of the Income Tax Act, which Government would probably not consider but they desire to point out that the limit of exemption of one-sixth of his income in the case of a member of a Government Provident Fund covers his life insurance premium and **his own** contributions to the Provident Fund **only,** whereas in the case of Private Provident Funds Government propose that employers' contributions should also be included. My Committee have ascertained that there are Provident Funds to which the Provident Funds Act applies under the rules of which the employer makes a regular contribution to the Fund and that in these cases members of the Fund in calculating the one-sixth of their income on which they secure exemption from tax do **not** have to include their employers' contributions. This being so my Committee trusts that Government will concede the justice of their claim that the same treatment should be applied to members of both classes of Provident Fund and that the proposal to include employers' contributions in the aggregate of the sums which will rank for exemption in the case of Private Provident Funds will be dropped.

No. C. 27-IT|29, dated 21st August 1929, from the Central Board of Revenue to the Bombay Chamber of Commerce

I am directed to reply to the letters quoted above.

2. In the second of these letters, which has somewhat modified a passage in the earlier one, your Committee points out that the

limit of exemption to one-sixth of his income in the case of a member of a Government provident fund covers his life insurance premium and his own contributions to the provident fund only, whereas in the case of private provident funds the Government propose that employers' contributions should also be included in the calculation. They observe that there are provident funds to which the Provident Funds Act applies, members of which do not have to include their employers' contributions in calculating the one-sixth of their income and the Government are therefore requested similarly to exclude employers' contributions from the calculation of the aggregate of the sums which will rank for exemption in the case of private provident funds.

3. The Government of India regret that they cannot regard this proposal as acceptable. They desire to remind your Committee that their position, as stated by the Hon'ble Sir George Schuster in his speech at the meeting of the Associated Chambers at Calcutta in December, 1928, was that they desire to see that a man "gets exactly the same benefits from his provident fund as he gets when he takes out an insurance policy on his life". It is the principle embodied in this assurance which has been the basis of all the subsequent proposals and it is claimed that those now put forward do give a fair and generous effect to the assurance given as is further brought out in the succeeding paragraphs of this letter. Following out this principle it will be necessary to include in calculating the sums which are to be exempted the contributions made by employers. The assurance given implied no undertaking to place private provident funds in exactly the same position as Government provident funds. Moreover it is to be noted that Government servants in most departments are not members of a contributory provident fund and are therefore subject to the same limit as it is proposed should be applied to members of private provident funds. Again, of those Government servants who are members of a contributory provident fund, the Government of India are not aware that a large proportion of members take full advantage of the exemption which they are, under the existing law, entitled to claim and it might be held, if the proportion were large, that the existing law in relation to them was de-

fective and required amendment rather than that it should be taken as a model when an entirely new concession was being introduced.

4. I am at the same time to point out that the proposals which the Government have outlined in their recent letter to Local Governments do, in fact, go considerably beyond the Hon'ble Sir George Schuster's undertaking which I have already quoted, in that an additional benefit not enjoyed by insurance companies or their clients is being granted in the form of exemption from income-tax of interest on the accumulated balances of exempted contributions standing to the credit of members of private provident funds. The Government of India have come to the conclusion that this additional benefit must be accepted as a justification for imposing certain conditions which do not apply to insurance companies but the consideration of which has arisen in the course of drafting. The Government's own provident fund rules impose certain restrictions upon the freedom of the employee to borrow money on the security of the amounts at his credit in the provident fund. They restrict his opportunities for withdrawal from the funds and prohibit their assignment. Such restrictions are necessary if the principle that the provident fund is to encourage thrift is to be maintained and it is only this principle that justifies the grant of the exemption which is now proposed. It is recognised that such restrictions do not exist in the case of insurance policies (except for the practical one that the surrender value of a policy usually involves a considerable loss); but in so far as that is the case it indicates that the existing law in respect of insurance policies fails to carry out completely the intention of encouraging thrift and discouraging extravagance. The Government of India, therefore, contemplate taking powers to impose certain restrictions upon members of private provident funds in these directions.

5. Another point upon which the Government consider themselves justified in imposing restrictions is in the direction of taking a certain degree of control over the investment of funds. They do not propose to interfere with the investment of the employers' contributions, though they will impose a reasonable limit to the rate of interest which will carry exemption from tax, this being merely a safeguard against a possible abuse and imposing no restriction upon the generosity of employers towards their servants. But they consider

that, having regard to the whole object of the scheme, it is desirable that the regulations should provide for the investment of the employees' own exempted contributions and accumulated interest thereon in trustee securities and not in the employers' own business, in the permanent prosperity of which the employee is already sufficiently interested.

6. I am now to turn to another matter which was brought to the notice of the Government of India in your letter of the 5th of August in connection with the limit of one-sixth. The scheme circulated to the Local Governments was so worded as to indicate that provident funds in which the subscriptions and contributions exceeded that limit would be entirely excluded from the scheme; and you pointed out that this would exclude a number of existing funds which are maintained on a 10 per cent. basis for subscriptions and contributions. The Government of India have no desire to cause these funds to be wound up and new ones to be formed within the prescribed limits; and, subject to the maintenance of the limit of one-sixth to the whole amount of subscriptions or contributions, (and, when taken out, life insurance premiums), in respect of which the employee will obtain exemption, (over and above the exempted interest), and subject also to the maintenance of accounts which will show exempted and non-exempted amounts in the fund in separate entries, the Government who, here again, have no desire to restrict the generosity of employers towards their servants, are willing to allow the concession to be extended to funds in which actual subscriptions exceed the prescribed limit. Their proposals for legislation are being amended accordingly.

7. Another point which was mentioned in your earlier letter was the treatment of accumulated balances to the credit of members in existing provident funds. The Government of India understand that the reference here is only to the disbusement of these balances to members at the time of withdrawal, that is to say, to the exemption of the aggregate of employers' contributions and interest at such time in the hands of the recipient, (employees' subscriptions will already have been taxed in their own hands). On this understanding the Government of India are prepared to accept your proposal and are having the neces-

sary provisions drafted. I am to make it clear that their acceptance of the proposal is on the understanding, not only that there will be no question of refunds of income-tax already paid on amounts that have been entered into the accounts of the funds for the credit of members, but also that where funds have not already, before the present day, been alienated from the business and allowed as a business expense, they will be allowed as a business expense only at the time when they would have been so allowed if their had been no change in the law, that is to say, at the time when they were actually disbursed to the members. The Government of India believe that the reasonableness of this stipulation will be recognised since it will merely maintain the **status qua**, whereas if the stipulation were not made, the simultaneous alienation of large accumulated balances from a number of firms to the hands of trustees and their consequent admission as business expenses in a single year would be likely to produce embarrassing results. The Government of India consider that when giving this further concession, which has not previously been promised, it is fair for them to take measures to avoid such embarrassment.

8. In the fifth paragraph of your letter of the 5th of August, you point out that difficult accounting problems are certain to arise in connection with accumulating interest on that portion of provident funds which will not be tax-free. The Government of India have, in the course of drafting of their Bill, become well aware of the truth of this statement and they, therefore, propose to embody so much of the procedure as is not fundamental in provisions giving rule-making powers which, if approved by Legislature, will enable the Government to make detailed arrangements in full consultation with interested parties and thus to solve as rapidly as possible all difficulties that may arise.

9. It is proposed to ask the Assembly to remit this Bill to a Select Committee and the Government will attempt to secure representation for Chambers of Commerce, European and Indian upon this Select Committee. I am, therefore, directed to suggest that, since the draft of the Bill can no longer be postponed, any further observations which your Committee may have to make upon this subject

should be communicated to its representatives in the Legislature who will then be able to represent the Committee's point of view while the Bill is actually on the anvil. A copy of this letter is being sent to other Chambers of Commerce and similar bodies in order that they may also be in a position to give their instructions to their representatives at Simla.

Copy forwarded to all Chambers of Commerce, the Associated Chambers of Commerce and the Federation of Indian Chambers, for information.

D. O. Letter No. 2097 dated 11th September 1929, from the Chamber to Sir Purshotamdas Thakurdas, Chamber's representative in the Legislative Assembly.

You will remember that the question of exemption of Private Provident Funds from Income-tax was referred to the Income-tax Sub-Committee. The Sub-Committee have now recommended to the Committee that in view of the Bill in question having been referred to a Select Committee of the Assembly, copies of the correspondence exchanged may be forwarded to you with a request that you will do the needful in the matter. Accordingly I am directed by the Committee to send to you the copies of the correspondence regarding the same.

APPENDIX LXI.

INDIAN INCOME-TAX PROVIDENT FUND RELIEF ACT 1929: RULES UNDER:

No. R. B. 328|29, dated 19th October 1929, from the Commissioner of Income-tax, Bombay, to Chamber.

I have the honour to inform you that as you might be already aware from the Gazette of India, dated the 5th October 1929, the Income-tax Act has been amended in order that certain income-tax concessions may be given in respect of contributions, to private provident funds.

2. I send herewith a copy of the Act referring to the above amendments as well as copies of draft rules (Appendices A and B) which it is proposed to frame under this Act and shall feel highly obliged if favoured with the views and suggestions of your Chamber in the matter of these draft rules at your very early convenience. As it is desirable to give effect to the new Act as early as possible and as this cannot be done till rules are framed as required by it, a reply before the 5th proximo will highly oblige. In case your Chamber wishes to discuss any point with me personally I shall be happy to see its representatives and will fix a day and time for the purpose on hearing from you.

3. I beg to add in this connection that this consultation may kindly be treated as of an informal character and the proposed rules which are likely to undergo some changes before they are finally approved should not be published.

4. I beg further to invite the attention of your Chamber to the provisions of section 58 D (both clauses) and to add that for want of sufficient data for the drafting of rules under this section, they have not been drafted and shall be obliged if favoured with such information as may be available regarding the type of funds referred to in it so that the needful may be done.

5. As regards section 58 F (2), the rate of interest which is being allowed at present as regards Provident Funds known to your Chamber may kindly be communicated so that Government might be able to fix a reasonable rate.

6. Rules under section 58 J (3) have not also been drafted pending receipt of information regarding the exact form in which accounts are being kept by provident funds as regards each subscriber at present and the information that can be gathered therefrom by an Income-tax Officer for the purposes of this section. Any useful information on this point which your Chamber might furnish will be most welcome.

(As Passed by the Indian Legislature.)

An Act.

Further to amend the Indian Income-tax Act, 1922 for certain purposes

XI of 1922.

Whereas it is expedient further to amend the Indian Income-tax Act, 1922, for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title and commencement

1. (1) This Act may be called the Indian Income-tax (Provident Funds Relief) Act, 1929.

(2) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.

Amendment of section 4, Act XI of 1922.

2. The sub-section (3) of section 4 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act), the following clause shall be added, namely:—

"(ix) Any income received by trustees on behalf of a recognised provident fund as defined in clause (a) of section 58A."

Amendment of section 15, Act XI of 1922.

3. In sub-section (3) of section 15 of the said Act, after the word and figure "section 7" the words "and any sums exempted under sub-section (1) of section 58F" shall be inserted.

4. In section 58 of the said Act,—

Amendment of section 58, Act XI of 1922.

(a) in the proviso to sub-section (1), after the word and figures "section 57" the words, figures and letter "and under section 58H" shall be added; and

(b) in sub-section (2), after the word and figures "section 57" the words, figures and letter "and section 57H" shall be inserted.

Insection of new Chapter IXA in Act XI of 1922.

After Chapter IX of the said Act the following Chapter shall be inserted, namely:—

"CHAPTER IXA"

Special Provisions Relating to Certain Classes of Provident Funds.

Definitions.

58A. In this Chapter, unless there is anything repugnant in the subject or context,—

(a) a "recognised provident fund" means a provident fund which has been and continues to be recognised by the Commissioner, in accordance with the provisions of this Chapter;

(b) an "employer" means—

(i) a Hindu undivided family, company firm or other association of individuals or persons, or

(ii) an individual engaged in a business, profession or vocation whereof the profits and gains are assessable to income-tax under section 10 or section 11, maintaining a provident fund for the benefit of his or its employees;

(c) an "employee" means an employee participating in a provident fund, but does not include a personal or domestic servant;

(d) a "contribution" means any sum credited by or on behalf of any employee out of his salary, or by an employer out of his own monies, to the individual account of an employee, but does not include any sum credited as interest;

(e) the "balance to the credit" of an employee means the total amount to the credit of his individual account in a provident fund at any time;

(f) the "annual accretion" to the balance to the credit of an employee means the increase to such balance in any year, arising from contributions and interest;

(g) the "accumulated balance due" to an employee means the balance to his credit, or such portion

thereof as may be claimable by him under the regulations of the fund, on the day he ceases to be an employee of the employer maintaining the fund; and

(h) the "regulations of a fund" means the special body of regulations governing the constitution and administration of a particular provident fund.

The according and withdrawal of recognition

58B. The Commissioner of Income-tax may accord recognition to any provident fund which, in his opinion, satisfies the conditions prescribed in section 58C and the rules made thereunder, and may, at any time, withdraw such recognition if, in his opinion, the provident fund contravenes any of those conditions.

(2) The Governor General in Council may, at his discretion, direct the Commissioner of Income-tax to refuse to accord recognition to any provident fund, or may, at any time, withdraw recognition from any recognised provident fund.

(3) An order according recognition shall take effect on such date as the Commissioner may fix in accordance with any rules the Central Board of Revenue may make in this behalf, such date not being later than the last day of the financial year in which the order is made.

(4) An order withdrawing recognition shall take effect from the day on which it is made.

(5) An employer objecting to an order of the Commissioner refusing to recognise a provident fund may appeal, within sixty days of such order, to the Central Board of Revenue.

The appeal shall be in the form and shall be verified in the manner prescribed by the Central Board of Revenue.

Conditions to be satisfied by a recognised provident fund.

58C. (1) In order that a provident fund may receive and retain recognition, it shall satisfy the conditions set out below and

any other conditions which the Governor General in Council may, by rule, prescribe—

(a) All employees shall be employed in India, or shall be employed by an employer whose principal place of business is in British India.

(b) The contributions of an employee in any year shall be a definite proportion of his salary for that year, and shall be deducted by the employer from the employee's salary in that proportion, at each periodical payment of such salary in that year, and credied to the employee's individual account in the fund.

(c) Subject to the provisions of section 58D, the contributions of an employer to the individual account of an employee in any year shall not exceed the amount of the contributions of the employee in that year, and shall be credited to the employee's individual account at intervals not exceeding one year.

(d) The fund shall consist of contributions as above specified, of accumulations thereof, and of interest (simple and compound), credited in respect of such contributions and accumulations, and of secrities purchased therewith, and of no other sums.

(e) The fund shall be vested in two or more trustees, under a trust which shall not be revocable save with the consent of all the beneficiaries.

(f) The employer shall not be entitled to recover any sum whatsoever from the fund, save in cases where the employee is dismissed for misconduct or voluntarily leaves his employment otherwise than on account of ill-health or other unavoidable cause before the expiration of the term of service specified in this behalf in the regulations of the fund.

In such cases the recoveries made by the employer shall be limited to the contributions made by him to the

individual account of the employee, and to interest (simple and compound) credited in respect of such contributions and accumulations thereof, in accordance with the regulations of the fund.

(g) The accumulated balance due to an employee shall be payable on the day he ceases to be an employee of the employer maintaining the fund.

(h) Save as provided in clause (g), or in accordance with such conditions and restrictions as the Governor General in Council may, by rules, prescribe, no portion of the balance to the credit of an employee shall be payable to him.

(2) Where there is a repugnance between any regulation of a recognised provident fund and any provision of this Chapter or of the rules made thereunder, the regulation shall, to the extent of the repugnance, be of no effect.

The Commissioner may, at any time, require that such repugnance shall be removed form the regulations of the fund.

Power to relax restrictions of employer's contributions in certain Cases

58D. Subject to any rules which the Governor-General in Council may make in this behalf, the Commissioner may, in respect of any particular fund, relax the provisions of condition (c) of sub-section (1) of section 58C—

(a) so as to permit the payment of larger contributions by an employer to the individual accounts of employees whose salary does not exceed five hundred rupees per mensem; and

(b) so as to permit the crediting by employers to the individual accounts of employees of periodical bonuses or other contributions of a contingent nature, where the calculation and payment of such bonuses or other contributions is provided for an definite principles by the regulations of the fund.

Annual Accretion Deemed to be Income Received

58E. The annual accretion in any year to the balance at the credit of an employee participating in a recognised provident fund shall be deemed to have been received by him in that year and shall be included in his total income for that year, and, subject to the exemptions specified in section 58F, shall be liable to income-tax and super-tax:

Provided that, for the purpose of sub-section (3) of section 15, out of such annual accretion only the employee's own contributions shall be included in his total income.

Exemption of annual accretion from income-tax

58F. (1) An employee shall not be liable to pay income-tax on contributions to his individual account in a recognised provident fund, in so far as the aggregate of such contributions in any year does not exceed one-sixth of his salary in that year.

(2) In the accounts of a recognised provident fund, the contributions exempted from income-tax under sub-section (1) and accumulations thereof shall be shown separately, and interest thereon shall be calculated and shown separately. Such interest shall be exempt from payment of income-tax, in so far as it is allowed at a rate not exceeding such rate as the Governor General in Council may, by notification in the Gazette of India, fix in this behalf.

Exemption of Accummulated Balance from Income-tax and Super-tax

58G. Where an employee participating in a recognised provident fund has rendered continuous service with his employer for a period of not less than five years, and the accumulated balance due to him becomes payable, such accummulated balance shall be exempt from payment of income-tax and super-tax, and shall be excluded from the computation of his total income:

Provided that the Commissioner of Income-tax may allow such exemption and exclusion where the employee has rendered continuous service with the employer for a period of less than five years, if, in his opinion, the service has been terminated by reason of the emplo-

yee's ill-health, or by the contraction or discontinuance of the employer's business, or other cause beyond the control of the employee.

(2) Where exemption from payment of incometax is not allowed under the provisions of sub-section, (1), the Income-tax Officer shall calculate the total of the various sums of income-tax from the payment of which the contributions and interest credited to the employee's individual account have been exempted under the provisions of sub-sections (1) and (2) of section 58F, and such total shall be payable by the employee, in addition to any other income-tax for which he may be liable for the year in which the accumulated balance due to him becomes payable.

Deduction at source of income-tax payable on accumulated Balances Due.

58H. The trustees of a recognised provident fund or other person authorised by the regulations of the fund to make payment of accumulated balances due to employees, shall, at the time an accumulated balance due to an employee is paid, deduct therefrom any income-tax payable under sub-section (2) of section 58G and any income-tax and super-tax payable on an employee's total income as determined under sub-section (3) of section 58J, and sub-sections (4) to (9) of section 18 shall apply as if the sum to be deducted were income-tax payable under the head "Salaries".

Accounts of Recognised Provident Funds

58I. (1) The accounts of a recognised provident fund shall be maintained by the trustees of the fund and shall be in such form and for such periods, and shall contain such particulars as the Central Board of Revenue may prescribe.

(2) The accounts shall be open to inspection at all reasonable times by Income-tax authorities, and the trustees shall furnish to the Income-tax Officer such abstracts thereof as the Central Board of Revenue may prescribe.

Treatment of Balance in Newly Recognised Provident Funds

58J. (1) Where recognition is accorded to a provident fund with existing balance, an account shall be made of the fund up to

the day before the day on which the recognition takes effect, showing the balance to the credit of each employee on such day, and containing such further particulars as the Central Board of Revenue may prescribe.

(2) The account shall also show in respect of the balance to the credit of each employee the amount thereof which is to be transferred to that employee's account in the recognised provident fund, and such amount (hereinafter called his transfered balance) shall be shown as the balance to his credit in the recognised provident fund on the date on which the recognition of the fund takes effect, and sub-sections (3) and (4) shall apply thereto.

Any portion of the balance to the credit of an employee in the existing fund which is not transferred to the recognised fund shall be excluded from the accounts of the recognised fund and shall be liable to income-tax and super-tax in accordance with the provisions of this Act other than this Chapter.

(3) Subject to such rules as the Central Board of Revenue may make in this behalf, the Income-tax Officer shall make a calculation of the aggregate of all sums comprised in a transferred balance which would have been liable to income-tax if this Chapter had been in force from the date of the institution of the fund, without regard to any tax which may have been paid on any such sum, and such aggregate (if any) shall be deemed to be income received by the employee in the year in which the recognition of the fund takes effect, and shall be included in the employee's total income for that year; and, for the purposes of assessment, the remainder of the transferred balance shall be disregarded, but no other exemption or relief, by way of refund or otherwise, shall be granted in respect of any sum comprised in such transferred balance:

Provided that, in cases of serious accounting difficulty, the Commissioner shall have power subject to the said rules, to make a summary calculation of such aggregate.

(4) Notwithstanding anything contained in condition (h) of sub-section (1) of section 58C, an employee, in order to enable him to pay the amount of tax assessed on his total income as deter-

mined under sub-section (3), shall be entitled to withdraw from the balance to his credit in the recognised provident fund a sum not exceeding the difference between such amount and the amount to which he would have been assessed if the transferred balance had not been included in his total income.

(5) Nothing in this section shall affect the rights of the persons administering an unrecognised provident fund or dealing with it, or with the balance to the credit of any individual employee, before recognition is accorded, in any manner which may be lawful.

Treatment of Fund Transferred by Employer to Trustee

58K. (1) Where an employer who maintains a provident fund (whether recognised or not) for the benefit of his employees and has not transferred the fund or any portion of it, transfers such fund or portion to trustees in trust for the employees participating in the fund, the amount so transferred shall be deemed to be of the nature of capital expenditure.

(2) When an employee participating in such fund is paid the accumulated balance due to him therefrom, any portion of such balance as represents his share in the amount so transferred to the trustee (without addition of interest, and exclusive of the employee's contributions and interest thereon) shall be deemed to be an expenditure by the employer within the meaning of clause (ix) of sub-section (2) of section 10, incurred in the year in which the accumulated balance due to the employee is paid.

Provisions Relating to Rules

58L. (1) All rules made under this Chapter shall be subject to the provisions of sub-sections (4) and (5) of section 59.

(2) In addition to any power conferred by this Chapter, the Governor General in Council may make rules—

'(a) prescribing the statements and other information to be submitted with an application for recognition;

(b) limiting the contributions to a recognised provident fund by employee of a company who are shareholders in the company;

(c) providing for the assessment by way of penalty of any consideration received by an employee for an assignment of, or creation of a charge upon, his beneficial interest in a recognised provident fund;

(d) determining the extent to and the manner in which exemption from payment of income-tax and super-tax may be granted in respect of contributions and interest credited to the individual accounts of employees in a provident fund from which recognition has been withdrawn; and

(e) generally, to carry out the purposes of this Chapter and to secure such further control over the recognition of provident funds and the administration of recognised provident funds as he may deem requisite.

58M. This Chapter shall not apply to any provident fund to which the Provident Funds Act, 1925, applies."

APPENDIX A.

Rules to be made by the Central Board of Revenue.

Under Section 58 B (3).

48. An order according recognition to a provident fund shall take effect—

(a) on the 31st March 1930 in cases where the application for recognition is received by the Commissioner of Income-tax before that date, and

(b) on the last day of the month in which the order is made, or, at the request of the employer, on the last day of any later month in that financial year.

Under Section 58 B (5).

49. An appeal under Section 58 B shall be in the following form:—

Form of appeal against non-recognition of a provident Fund by a Commissioner of Income-tax.

To The Central Board of Revenue.

The petition of employer(s) carrying on business, profession or at Your

petitioner(s) applied to the Commissioner of Income-tax under section 58 B of the Indian Income-tax Act, 1922, for the recognition of the provident fund maintained by them (him) for the benefit of their (his) employees. The Commissioner of Income-tax has refused recognition for the reasons stated in his order dated of which a copy is attached.

For the reasons set out below your petitioner(s) submit(s) that the fund should be recognised; and pray(s) that the Central Board of Revenue may be pleased to accord recognition.

Grounds of appeal.

We|I the petitioner(s) named in the above petition do declare that what is stated therein is true to the best of our|my information and belief.

Under Section 58 I (i).

50. The accounts of a recognised provident fund shall be prepared for the financial year and shall exhibit the state of the fund on the thirty-first day of March in each year.

51. An account shall be maintained for each subscriber to the fund in the following form:—

The following amendments to the existing Income-tax Rules are required:—

Rule 17—Two columns 12A and 12B shall be added to the form in rule 17 with the heading—

12A—Contributions made by the employee to accounts in a recognised provident fund,

12B—Bonus or other contributions paid by the employer to accounts in a recognised provident fund (section 58 D).

Rule 18—The following shall be added—

"The company shall also attach to the return a statement showing the sums charged in the accounts under the provisions of section 58K (2)".

Rules 19 and 37A—

(1) The following items shall be added in the statement in Rule 19 and in the statement in part I in Rule 37A—

9A. The contributions made by an employer to the account in a recognised provident fund of the person making the return,

9B. The interest accruing to the account mentioned in 9A which is not exempt from income-tax (section 58F(2)).

Deductions claimed.

(2) The last item in the said statements shall be amended as follows:—

(a) On account of insurance premia;

(b) on account of contributions to a provident fund to which the Provident Funds Act applies;

(c) on account of contributions to a recognised provident fund (section 58A (a));

(d) others.

(3) In note 5 in the said rules shall be added—

(e) You are also required to attach a statement showing the sum charged in your accounts under the provisions of section 58K (2).

Under Section 58 I (2).

52. An abstract of the individual account of each employee participating in a recognised provident fund shall be furnished by the trustees to the Income-tax Officer of the area in which the employer conducts his business, profession or vocation, or to such other Income-tax Officer as the Commissioner may, in each case, direct, not later than the thirtieth day of April in each year. It shall be in the form prescribed in rule 51, but shall show only the totals of the various columns thereof. It shall also give an account of temporary withdrawals of the employee and repayment thereof during the year.

Under Section 58 J (2).

53. The account to be made under the provisions of sub-section (2) of section 58 J shall show in respect of each employee (i) the total salary paid to the employee during the period of his parti-

cipation in the provident fund, (ii) the total contributions, (iii) the total interest which has accrued thereon, and (iv), so far as may be, the percentage of the employee's salary in accordance with which contributions have been made by the employer and employee.

APPENDIX B.

Under Section 58C (1).

In order that a fund may receive and retain recognition the contributions made by employees after the date of recognition of the fund and the interest on the accumulated balances of such contributions shall be invested in the securities specified in clauses (a), (b), (c), (d) and (e) of section 20 of the Indian Trusts Act 1882, in no others.

Under Section 58C (1 (b)).

Withdrawals by employees shall be allowed by the trustees only on special grounds in the following circumstances or circumstances of a similar nature—

(a) to pay expenses incurred in connection with the illness or a subscriber or a member of his family;

(b) to pay for the passage (over the sea) of a subscriber or any member of his family;

(c) to pay expenses in connection with marriages, funerals or ceremonies which by the religion of the subscriber it is incumbent upon him to perform and in connection with which it is obligatory that expenditure should be incurred.

2. No such withdrawal shall exceed (1) the pay of the employee for three months at the time when the advance is granted, or (2) the total of the accumulation of exempted contributions and exempted interest contained in the balance to the credit of the employee.

3. A second withdrawal shall not be permitted until the first sum withdrawn has been fully repaid.

4. Repayment of the amount withdrawn shall be made in not more than 24 monthly instalments; and interest at the same rate

as is payable for the time being on balances in the fund shall be paid at the end of each financial year.

5. The employer shall deduct such instalments from the employee's salary, commencing from the first salary drawn by him after receiving the amount withdrawn, and pay them to the Trustees. The employer shall also deduct from the employee's salary and pay to the trustees as interest such sum as they may demand at the end of each financial year, such sum being equivalent to the loss of interest in that year consequent on the withdrawal. The employee shall be responsible that the deductions are regularly made by the employer.

6. In case of default of repayment of instalments under rule 7, the Commissioner of Income-tax may at his discretion order that the amount of the withdrawal or the amount outstanding shall be added to the total income of the employee for the year in which the default occurs and the Income-tax Officer shall assess the employee accordingly.

Under Section 58L (2) (a).

The application for recognition shall be made by the employer maintaining the fund for which recognition is sought.

2. The application shall be accompanied by the following documents:—

(a) the trust deed in original with one copy thereof, the latter being retained by the Commissioner, and

(b) the rules of the fund.

3. The application shall be submitted through Income-tax Officer of the area in which the accounts of the funds are kept.

4. The application shall also contain the following information:—

(1) Name of employer and address, his business, profession, etc., also his principal place of business.

(2) No. of employees in

(i) British India;

(ii) Indian States:

(iii) Outside India.

(3) Place where the accounts of the fund were or will be maintained.

(4) If the fund is already in existence—

(a) a copy of the last balance sheet of the fund, where such is maintained,

(b) information in regard to balances at the credit of members and the amount thereof to be transferred under section 58J,

(c) details of investments of the fund.

Verification.

We|I the trustee(s) of the above named fund do declare that what is stated in the above application is true to the best of our information and belief, and that the documents sent herewith are the originals or true copies thereof.

Under Section 58L (2) (b).

Where an employee of a company owns shares in the company with a voting power exceeding ten per cent. of the whole of such power the sum of the exempted contributions of the employee and employer to the recognised provident fund maintained by the company shall not exceed Rs. 250 in any month.

Under Section 58L (2) (c).

If an employee assigns, or creates a charge upon his beneficial interest in a recognised provident fund, the Income-tax Officer shall, on the fact of the assignment or charge coming to his knowledge, give notice to the employee that if he does not secure the cancellation of the assignment or charge within two months of the date of receipt of the notice the consideration received for such assignment or charge shall be deemed to be income received by him in the year in which the fact became known to the Incometax Officer and shall be assessed accordingly.

Under Section 58L (2) (d).

If the Commissioner withdraws recognition from a recognised provident fund, the balance to the credit of each employee at the end

of the financial year prior to the date of the withdrawal of recognition shall be paid to him free of income-tax and super-tax at the time when such employee receives the accumulated balance due to him. The remainder of the accumulated balance due to him shall be liable to income-tax and super-tax as if the fund had never been recognised.

No. 2527, dated 21st November 1929, from the Chamber to the Commissioner of Income-tax Bombay.

With reference to your letter No. R. B.|328|29, of the 19th ultimo, I am directed to inform you that my Committee are in general agreement with the rules as drafted. They would however like to suggest that in Clause (b) of the rules under Section 58 C (1) (b), Appendix-B of the draft, the words 'over the sea' in the sentence "to pay for the passage 'over the sea" of a subscriber . . . . . be deleted. My Committee hope that this suggestion will be complied with.

As regards Section 58 F (2), my Committee are of opinion that such rate of interest as has generally been realised by Provident Fund is the past may be fixed.

APPENDIX LXII.

BILL TO AMEND THE INDIAN INCOME-TAX ACT (EXPERTS BILL) NO. IX OF 1929.

No. 2132, dated the 16th October 1929.

From Chamber to the Government of India, Finance Department.

The attention of the Committee of this Chamber has been drawn to the Bill No. IX of 1929, further to amend the Indian Income-tax Act, 1922, which, among other clauses, has a section to amend Section 61 of the Income-tax Act. The amending clause aims at "prohibiting the appearance in income-tax proceedings of certain undesirable persons who calling themselves income-tax experts impose on assessees." While my Committee appreciate the desire of Government to make an improvement in the class of people who carry on work as income-tax experts, they cannot approve of the proposed amending clause, which, it is feared, will do more harm than good. Government cannot be unaware of the fact that a large number of these Income-tax

experts are at present earning their livelihood by honest and **bona fide** work and that, so far as the information of my Committee goes, the business community derives help and co-operation from them. My Committee have not upto this time received any complaints from any quarters regarding the work of these experts. The growth in the work of the Income-tax department, the very close and minute inspection which Income-tax Officers are now carrying on and the natural desire on the part of businessmen to be represented before the Income-tax authorities by some competent people have all led to an increase in the number of these income-tax experts. My Committee beg to point out that these experts, atleast many of them, by their advice and suggestions to their clients and acting as their interpreters to the Income-tax authorities help in saving public time and in getting the work despatched as early as possible. Under these circumstances the amending clause threatens, in the opinion of my Committee, to operate rather harshly on those who are working as income-tax experts and also on the business community which otherwise will be expected to pay abnormal charges if there is an undue restriction placed upon the number of experts. While my Committee have nothing to say against the draft of the amending section as it stands, they would like to urge that all those who have been practising as Income-tax experts for the last three years and over, should be **ipso facto** rgarded under this Section as qualified for working as Income-tax experts. My Committee will have no objection if new entrants are submitted to a qualifying test. In this connection, my Committee may quote the precedent of the recognition given to practising Accountants and Auditors when an amendment was made in the Indian Companies Act laying down qualifications for practising as duly qualified Auditors and Accountants. If this is done, there will be no grievance felt by the existing Income-tax experts and there will be no unnatural and undue monopoly created.

My Committee hope that this suggestion of theirs will be accepted by the Government of India before the Bill is finally passed.

NO. 457-I.T.|29, dated 1st November.

From the Central Board of Revenue to Chamber.

I am directed to acknowledge receipt of your letter quoted above and to say that it has been transferred to the Legislative Assembly

Department as the Bill has been referred to the Select Committee. Any further communication on the subject should be made to that Department.

APPENDIX LXIII.

AMENDMENT OF THE LAW OF EVIDENCE.

No. 1168|2-B, dated 16th September 1929.

From the Government of Bombay, Home Department to Chamber.

With reference to the correspondence ending with your letter No. G-1917, dated the 1st September 1927, regarding the proposed amendment of the Law of Evidence in regard to certain commercial documents, I am directed to forward herewith a copy of a letter from the Government of India in the Home Department No. F. 136|27-Judicial, dated the 26th August 1929, and to request that you will be so good as to favour Government with the views of the Indian Merchants' Chamber, Bombay, as to the documents which should be included in the schedule of the Act which the Government of India propose to enact.

Copy of a letter No. F. 136|27-Judicial, dated 26th August 1929. From the Government of India, to the Government of Bombay, Home Department.

I am direceed to refer to the correspondence ending with your letter No. 1168|2-B, dated the 2nd December 1927, on the above subject.

2. The Government of India have decided to undertake legislation so that commercial documents which are accepted as prima facie correct in commercial circles may be admitted in evidence without formal proof. They have further decided that the proposed legislation should take the form of a separate Act on the lines of the Bankers' Book Evidence Act 1891. They are of opinion that it should not be confined to any particular class of suits or any particular class of courts, that the term "commercial documents" should not be defined, but that a list of such documents should be set out in a schedule to the Act power being reserved to the Government of India to add to the list from time to time.

5. Before steps are atken for the introduction of the proposed legislation, the Government of India would be glad to be furnished with the views of the local Government, after consulting the Hon'ble the Chief Justice and Judges of the High Court, Bombay, Judicial Commissioner, Sind, and such commercial bodies as they may think necessary as to the documents which should be included in the schedule.

Letter dated 21st October, 1929

From Chamber to the Government of Bombay, Home Department.

With reference to your letter of the 16th September, No. 1168|2-B, I am directed to send to you herewith the views of the Committee of this Chamber. They have considered the communication sent by the Government. A communication on the subject was addressed to them by Government in 1927, to which they replied that documents like Lloyd's weekly shipping index certificates of the Manchester Ship Canal, and the certificates of a Chamber of commerce were reliable documents to a certain extent in which the merchants had certain amount of confidence but at times the veracity of even these were doubted. They felt apprehensive that the wholesale recognition of such documents as prima facie correct would prove harmful to merchants and on these reasons did not then approve of the legislation. My Committee however, have reconsidered the question in the light of the fresh letter from Government and direct me to say that they have no objection to the documents mentioned above being accepted as prima facie correct, subject to right of challenging their correctness if parties so desire. They however like to urge that before making any further additions to the list of such documents Government should consult the commercial community.

APPENDIX LXIV.

SALE OF GOODS BILL .

No. 5396|2-B, dated 12th August.

From the Government of Bombay, Home Department to Chamber.

I am directed by the Governor in Council to forward herewith, a copy of Government Resolution in this Department, No. 5396|2, dated this day, and to request that you will be so good as to favour

Government with the opinion of the Indian Merchants' Chamber on the provisions of the sale of goods Bill.

Resolution No. 5396|2 12-8-1929.

Letter from the Government of India in the Legislative Department No. F. 228-I|29-C. & G., dated the 11th July 1929:—

"I am directed to forward herewith 100 copies of the papers noted below* which were published, by executive order, in the **Gazette of India,** dated the 29th June 1929, and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

*Report of the Special Committee appointed to examine the draft Indian Sale of Goods Bill together with the Bill as revised by them.

"2. I am also to request that the report and the Bill may be published in the **Bombay Government Gazette** in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

"3. The reply to this letter should be sent by the 1st November 1929."

Resolution—Copies of the foregoing letter from the Government of India and of its accompaniments should be forwarded to the High Court, Bombay, the Court of Judicial Commissioner of Sind, the Advocate General, the Solicitor to Government, the Remembrancer of Legal Affairs, the Government Pleader, High Court, Bombay, the Bombay and Karachi Bar Associations, the Bombay Incorporated Law Society, the Bombay Vakils' Associations, the Pleaders' Association of Western India, the Chamber of Commerce, Bombay, the Chamber of Commerce, Karachi, the Indian Merchants' Chamber, Bombay, the Bombay Presidency Trades' Association, the Bombay Millowners' Association, the Bombay European Textile Association, the Buyers' and Shippers' Chamber, Karachi, the Marwari Chamber of Commerce and

the Grain Merchants' Association, with a request that they will favour Government with their views on the provisions of the Indian Sale of Goods Bill.

2. The High Court and the Court of the Judicial Commissioner of Sind should be requested to consult such selected District Judges as they may think fit.

3. The Report and the Bill should be forwarded to the Manager, Government Central Press, for publication in the **"Bombay Government Gazette"** and the Oriental Translator to Government, for early translation in Marathi, Gujarati, Kanarese and Urdu. The translations should be forwarded to the Manager, Government Central Press, for publication in the **"Bombay Government Gazette."**

4. The Commissioner in Sind should be requested to have the Report, and the Bill published in the **"Sind Official Gazette"** both in English and in Sindhi.

5. The Commissioner in Sind and the Manager, Government Central Press, should report to Government the date on which the Report and the Bill and the translations are published in the **"Gazette."**

6. Opinions called for in the foregoing paragraphs should reach Government not later than the **1st October 1929.**

By order of the Governor in Council,
E. W. TROTMAN,
Acting Secretary to the Government of Bombay,
Home Department.

REPORT OF THE SPECIAL COMMITTEE

To

HIS EXCELLENCY THE GOVERNOR-GENERAL
IN COUNCIL.

In accordance with the Legislative Department Resolution, No. 47-I-|29-C. and G., dated the 28th March, 1929 (Appendix A), we, the members of the Committee appointed by the Government of India to examine the provisions of the Indian Sale of Goods Bill, have the honour to submit the following report:—

1. The constitution of the Committee was as follows:—

Chairman.

The Honourable Sir Brojendra Lal Mitter, Kt., Bar-at-Law, Law Member of the Council of the Governor-General.

Members.

(1) Mr. D. F. Mulla, C.I.E., M.A., LL.B., Officiating Advocate-General, Bombay.

(2) Mr. M. R. Jayakar, M.A., LL.B., Bar-at-Law, M.L.A.

(3) Mr. Alladi Krishnaswamy Ayyar, Advocate-General, Madras.

Mr. W. T. M. Wright, C.I.E., I.C.S., Joint Secretary and Draftsman to the Government of India, Legislative Department, attended the meetings of the Committee, and Mr. J. R. Dhurandhar, LL.B., Assistant Secretary to the Government of Bombay, Legal Department, acted as Secretary to the Committee.

2. The Committee assembled at Simla on the 29th April, 1929, when its first meeting was held, and continued its deliberations daily until the 9th May, 1929. A Bill to amend and define the law relating to the Sale of Goods, with the notes setting forth the reasons for the proposed amendments, which had already been prepared in the Legislative Department of the Government of India, was placed before us, and formed the basis of our discussions.

3. Before the passing of the Indian Contract Act, 1872, Chapter VII, of which contains the law relating to the sale of goods or moveables, the law on this subject was not only not uniform throughout British India but was also, outside the limits of the original jurisdiction of the High Courts, extremely uncertain in its application. Within the limits of the Presidency-towns, the rules of English law, including those in the Statute of Frauds, were applied, whilst in the mofussil it was doubtful whether the Statue of Frauds, was applicable and, as observed by the Indian Law Commissioners in their second Report, the Judge was to a great extent without the guidance of any positive law beyond the rule that his decision should be such as he deemed to be in accordance with "justice, equity and good conscience." To remedy this unsatisfactory

state of affairs, the Indian Law Commissioners framed, in their second Report, dated the 28th July, 1866, a set of rules relating to the general law of contracts including therein provisions relating to the sale of moveables. The draft of the Law Commissioners underwent several changes at the hands of the then Law Members, Sir Henry Maine and Sir James Stephen, and also in the Select Committee of the Indian Legislature. But, as stated by Sir James Stephen himself while presenting the Report of the Select Committee on the Indian Contract Bill, the chapter on the sale of goods, except in regard to the rule as to market overt, represented generally the English law on the subject as it then stood.

4. The rules of English law relating to the sale of goods had grown up mainly out of judicial decisions. Along with the general law of contract, they were the product of many generations and were adapted to the circumstances and exigencies of the times and the dealings of the people. They were, however, largely dominated by the provisions of the Statute of Frauds which was passed in the reign of Charles the Second. The Law Commissioners, as well as those who were ultimately responsible for framing the Indian Contract Act, at once realised that the provisions of the Statute of Frauds, although followed in the Presidency-towns, were not suitable to the conditions prevailing in this country, and that "any law relating to this important subject must at any rate be free from the inexpressible confusion and intricacy which is thrown over every part of that Statute in consequence of its vague language".

5. In 1870, various branches of law were being codified in British India. The main object in view was, in the words of Sir James Stephen, "that of providing a body of law to the Government of the country so expressed that it might be readily understood both by English and Native Government servants without extrinsic help from the English law libraries". What was urgently needed was a guide for the judge or magistrate who had but little legal training, derived little or no assistance from the Bar and worked at a distance from any law library.

6. Whatever merit the simple and elementary rules embodied in the Indian Contract Act may have had, and however, sufficient and

suitable they may have been for the needs which they were intended to meet in 1872, the passage of time has revealed defects the removal of which has become necessary in order to keep the law abreast of the developments of modern business relations. The law relating to the sale of goods appertains mainly to mercantile transactions. There can be no doubt that during the last half-century conditions in this country relating to trade and business have undergone material changes. Methods of business have largely altered and new relations have arisen between man and man. In dealing with these relations, it has been necessary to give recognition to new principles, and the Indian Courts have found that a law enacted more than fifty years ago is entirely inadequate to enable them to deal with these new relations or give effect to the new principles. The result has been that on various occasions the Courts have had to hold that Chapter VII of the Indian Contract Act is not exhaustive, and to import therein analogies from the decisions of the English Courts.

7. The English law relating to the sale of goods which was admittedly the basis of Chapter VII of the Indian Contract Act has itself since 1872 undergone drastic changes, and was finally codified in 1893 by the present Sale of Goods Act (56 and 57 Vict., C. 71), which discards many of the old common law rules upon which Chapter VII of the Indian Act was based, in favour of provisions more suited to modern conditions or more convenient in actual practice.

8. By the Bill referred for our consideration, the law relating particularly to the sale of goods is embodied in a separate enactment, although many of the general principles contained in the Indian Contract Act will continue to be applicable thereto. When Sir James Stephen moved the Indian Contract Bill, he admitted that it was not, and could not pretend to be, a complete code upon the branch of law to which it related. He, however, expressed a hope that in later years it would be easy to enact supplementary chapters relating to the several branches of the law of contract which the Bill did not touch. This hope has never been fulfilled. In later years it was found more convenient to have separate enactments for the several branches of the law of contract, e.g., the Transfer of Property Act, the Negotiable Instruments Act and the Merchant Shipping Act. In our opi-

nion, in view of the complexity of modern conditions, the time has now come when this process should be accelerated by embodying the different branches of law relating to contract in separate self-contained enactments; and we hope that the Bill which we attach to our Report may be passed into law at an early date and may be but the first of the series required to complete the task which we have outlined above.

9. The Bill referred to us was mainly based on the English Sale of Goods Act, 1893. This Act has stood the test of nearly thirty-five years of practical application, and in the words of Lord Parker in re: Parchim (1918) A. C. 157 at pages 160-161, "is a very successful and correct codification of this branch of the mercantile law". As is shown in Appendix B to our Report, most of the Colonies and Overseas Dominions have adopted and re-enacted the Act with only such small variations as have been found necessary to adapt its provisions to local circumstances. It is also remarkable that the Uniform Sales Act, passed in 1906 in the United States of America and adopted in twenty out of fifty-three States and territories, is based very largely on the English Act. These facts constitute striking evidence of the completeness and the universal suitability of its provisions.

10. In mercantile transactions a conflict of laws should, as far as possible, be avoided. Uniformity of law in various countries, particularly in those which have business or trade dealings with one another, is highly convenient and desirable. We, therefore, approve of the proposal to adopt the provisions of the English Sale of Goods Act so far as they are suitable to Indian conditions as the basis for the present Bill, and thus to make the Indian Law relating to the sale of goods as nearly as possible uniform with the law in force in other parts of the British Empire.

11. The provisions of the English Act are far more elaborate and comprehensive than those of Chapter VII of the Indian Contract Act, and in their arrangement the English Act is more logical and methodical. As we have already observed, it has revised and brought up to date the rules of the English Common Law. Moreover, the adoption of the English Act as the basis of the present Bill will en-

able Indian Courts to interpret its provisions in the light of the decisions of the English Courts.

12. In adopting the provisions of the English Act we have not been unmindful of the needs and exigencies of this country. Wherever it has been found that a rule obtaining in England, such as that relating to market overt, is not suitable to Indian conditions, the rule has been rejected. We have, moreover, carefully scrutinised the provisions of the English Act in the light of the decisions of English Courts since 1893, and where those decisions have shown the provisions of the English Act to be defective or ambiguous, we have attempted to improve upon them. We have also retained several of the provisions of the Indian Contract Act which we consider necessary or useful to meet special conditions existing in India. The Bill as revised by us on the above lines is attached to our Report as Appendix C.

13. A detailed explanation of the various clauses of the Bill is set out in our notes in Appendix D. But we think it desirable to draw attention to the following few points of importance:

(a) The present Bill embodies the principle that the question whether a contract for the sale of goods dose or does not pass the property in the goods from the buyer to the seller must in all cases be determined by the intention of the parties to the contract. The provisions of Chapter VII of the Indian Contract Act are vague and conflicting on this point. The Bill codifies the rules by which that intention may be ascertained, but the operation of these rules will be displaced by any terms of the contract defining the intention or by any attendant circumstances, including the conduct of the parties, rendering it ascertainable. In following this principle, we have borne in mind that in mercantile matters the certainty of the rule is often of more importance than the substance. If the parties know before—hand what their legal position is, they can provide for their particular wants by express stipu-

lations. Sale, after all, is a consensual contract, and the Bill does not prevent the parties from making any bargain they please. Its object is to lay down clear rules for the cases wher ethe parties have either framed no intention or failed to express it.

(b) The distinction between a sale and an agreement to sell, which was not clear in Chapter VII of the Indian Contract Act, has been clearly brought out. This distinction is very necessary to determine the rights and diabilities of the parties to the contract.

(c) It is made clear that a contract of sale can be made by mere offer and acceptance. Neither payment nor delivery is necessary for the purpose.

(d) Before 1893 the law in England relating to warranties and conditions was in a very confused state. In the Indian Contract Act the word "warranty" has been used in a very vague sense. In some provisions it denotes a condition which would enable a party aggrieved by its breach to repudiate the contract, while in others it enables him to claim damages only. In the Bill this ambiguity has been removed.

(e) There is much conflict of decisions in India regarding the meaning of section 108 of the Indian Contract Act which relates to sales by ostensible owners. This is to a certain extent due to the obscure phraseology of the section itself. We have tried to remove this obscurity in clauses 27 to 30 of the Bill to simplify the law on the subject.

(f) We have elaborated the rules relating to delivery to carriers, stoppage in transit and auction sales.

(g) We have anxiously considered the question of the retention of the Illustrations appearing in Chapter

VII of the Indian Contract Act and of the insertion of Illustrations to new provisions. Our decision is that the better policy is to forego all Illustrations, leaving the Courts to construe the sections as they stand.

14. In conclusion, we desire to place on record our high sense of obligation to Mr. W. T. M. Wright and Mr. J. R. Dhurandhar, who attended the meetings of the Committee and took part in its deliberations. Mr. Wright rendered us great assistance in drafting the clauses of the Bill and in preparing this Report. Mr. Dhurandhar who acted as Secretary brought to bear upon the work great industry in collecting references and otherwise assisting us in the preparation of our notes.

SIMLA;
20th June 1929. B. L. MITTER.

BOMBAY;
11th June 1929. D. F. MULLA.

BOMBAY;
17th June 1929. M. R. JAYAKAR.

OOTACAMUND;
11th June 1929. A. KRISHNASWAMI AIYAR.

(NOTE.—For copy of the Bill, please see File 129 of 1929 or No. L-204 in the Library.)

No. 2816 dated 16th December 1929, from Chamber to the Government of Bombay, Home Department.

With further reference to your letter No. 5396|2-B, dated the 27th August 1929, I am directed by my Committee to send to you herewith their views on the above Bill.

Views of the Committee on the Sale of Goods Bill.

Clause 2. (9): This sub-clause defines the word "goods" for the purposes of this Act. My Committee are glad to see that shares, etc., are included therein. They, however, find that actionable claims

and money are omitted from it. So far as actionable claims are concerned, the same is provided for in the Transfer of Property Act and will cause no trouble but the omission of "money" may lead to some difficulty as pointed out below. The present definition of the word "goods" is contained in Section 76 of the Contract Act which includes every kind of moveable properties and therefore undoubtedly includes "money". This Section is, however, repealed by the new Act and therefore the definition of "goods" is also repealed. The word "goods" is however used in other sections of the Contract Act, particularly in Section 171 dealing with the question of general lien and there the word "goods" certainly includes "money" and "cash" and bankers who are given a general lien under that Section mostly claim lien on their constituents' cash and balance of accounts which is equivalent to cash.

In consequence of the repeal of Section 76, the definition of the word "goods" will also go, and hereafter it may, therefore, be argued that for the purposes of Section 171 also the new definition ought to be used,. As this will create confusion, my Committee suggest that a provision may be made to retain the old definition of "goods" for the purposes of the Contract Act. They would suggest that the old definition of "goods" in Section 76 may either be transferred to the Interpretation Section of the Contract Act or a new Section may be inserted at the beginning of Chapter 9 so as to put the word "goods" beyond doubt or cavil. There is no definition of the word "goods" in the General Clauses Act, though that Act defines 'moveable properties as meaning property of every description excepting immoveable property.

Clause 11 makes time for payment not of the essence unless a different intention appears from the contract. My Committee have always understood that in case of mercantile contracts, time is always of the essence, and particularly time for payment. If anything, time for payment is more essential than time provided for the performance of the other parts of the contract. It is not unknown or unusual that a merchant may not only lose his credit but may even become insolvent if moneys are not paid to him in time. In making this comment, they have not overlooked the fact that this clause is based on the corresponding section in the English Act.

Clause 13 provides that in case a buyer accepts parts of the goods the breach of condition as to the rest can only be treated as a breach of warranty. My Committee do not see why a buyer, if he is so minded, should not be given liberty to accept a part and treat the contract as to the rest as a breach of a condition and seek his remedy on that footing. At any rate, they do not find a similar section in the English Act. If, in order to avoid conflict of opinion, it is intended to make a new provision on the subject, they would suggest that the buyer should be given liberty to accept a part and treat the breach of the rest as a condition and take his remedy accordingly.

Clauses 18 to 23: as to the effects of the Contracts:

My Committee find that the expression about passing of property used in these clauses is not uniform. The expression used in some clauses *e.g.* clauses 18 and 19 is: "property is transferred or is not transferred" and in other clauses *e.g.* 20 to 23 it is "property in the goods passes". They know that a similar expression is used in the English Act also, but it is always best to use uniform language. They would, therefore, suggest that the same expression may be used in all the clauses and would prefer the expression "property in the goods passes".

Clause 21: In Clause 21 which is based on Section 18 Rule 2 of the English Act, the last words are "and the buyer has notice thereof". These words do not appear in the present Section 80 of the Contract Act and no explanation as to the desirability of the addition is given in the notes, and my Committee do not see why these words should be specially added.

Clauses 32 and 35: My Committee feel doubtful as to whether the provisions of clauses 32 and 35 are not contradictory. By clause 32, delivery and price are said to be concurrent conditions. In Clause 35 it is said that the seller is not bound to deliver until the buyer applies. Is not the latter provision inconsistent with the delivery and price being concurrent? Then again it is found that in Clause 35 the expression used is "apart from any express contract". My Committee would suggest that it should be extended to implied contract also.

Clause 37 (1): This Clause provides for a seller giving delivery of a lesser quantity than contracted for. My Committee would suggest that the Clause should go further and provide that for the balance the buyer may claim his damages provided he gives notice within a reasonable time as otherwise it may be open to argument that the buyer cannot do so.

Clause 39 (1) uses the expression "to send the goods". In view of the conflict of decisions pointed out in the notes, it is better to settle it by appropriate expression.

Clause 39 (3) merely provides that if goods require insuring the seller must give notice to buyer. My Committee would go further and say that the seller must insure the goods if that is required by the custom of the trade or is usual in the trade.

Clause 40: My Committee do not agree to this Clause, and therefore urge that it should be deleted.

Clause 46 (1) (c) gives a right of sale as **limited** by the Act. My Committee would suggest the substitution of the word "provided" for 'limited', as "provided" is a more expression used in the Indian Acts and the word 'limited' is also liable to being construed as in the sense of 'restricted' and is also a technical expression used in the English Law.

Clause 52 provides for notice being given to the person in possession or his principles. Difficulty has been raised in the case of some bodies as to who is the principal, particularly in the case of Railway Companies. Some provision may therefore well be made for defining the principal either by way of a definition or inclusion.

Clause 54 (1) uses the expression "by the mere exercise of an unpaid seller". My Committee would suggest the word "by" be substituted for the word 'of', so that the Clause will read: "by the mere exercise by an unpaid seller".

Clause 59 (2) gives to buyer liberty to sue for breach of warranty but it does not say whether the buyer should do so by the same suit or whether he can do so by a separate suit also, although it may be said that this is a matter for procedure and as such covered by

the Code of Civil Procedure. Nothing will be lost by making a provision on the subject in this Clause.

Clause 60: This Clause deals with anticipatory breach. Whether a party to a contract can take advantage of an anticipatory breach and put an end to the contract is more or less well settled but the difficulty that arises is as regard the mode of ascertaining the damages, viz: whether the damages are to be ascertained as at the date of the breach or on the due date. For instance, supposing a contract is made in September for the next April delivery and the contract is broken in December by reason of an anticipatory breach and the promisee files a suit immediately and the suit is heard before the due date, how are the damages to be ascertained? If they are to be ascertained as on the due date, then the Judge can only speculate which is not very desirable. My Committee would, therefore, desire that a provision may be inserted in Clause 60 that in case of an anticipatory breach damages should be awarded as at the date of the breach.

Clause 63 provides for reasonable time. My Committee are glad that this clause is inserted, but would suggest that the clause may be inserted in the Contract Act because for the purpose of the other Sections of the Contract Act also it would be useful and if it is included in the Contract Act, necessarily, it applies in the case of Sale of Goods Act also, as under Clause 3, all unrepealed provisions of the Contract Act, so far as they are not inconsistent with the new Act, applied to Sale of Goods.

Clause 64 (3): Under this sub-clause, a seller can reserve to himself the right to bid 'subject to the provisions hereinafter contained'. Does it mean sub-clauses 4, 5 and 6 only? My Committee find that the English Act is differently worded. However that may be, they do not see why a seller should be given liberty to bid, because it is contrary to the ordinary principle of law that the same person cannot be both a seller and a buyer, and will put temptation in the way of parties sellng goods and lead to fraud being committed. They therefore urge that this sub-clause may be omitted.

APPENDIX LXV.

PROPOSED AMENDMENTS IN THE INDIAN MOTOR VEHICLES ACT, 1914.

No. 5084|2-E, dated 28th February 1929, from the Government of Bombay to Chamber

I am directed by the Governor in Council to forward the accompanying copies of a letter from the Government of India in the Home Department, No. F-1099-27-Judicial. dated the 11th February 1929 and its accompaniments, on the question of making some of the offences under the Indian Motor Vehicles Act compoundable and to request that you will be so good as to favour Government with the opinion of your Chamber on the following points:—

(1) whether it is desirable to make some of the offences under the Indian Motor Vehicles Act and Rules compoundable, if so;

(2) (a) whether the power to determine the offences which should be made compoundable should be reserved to the Local Governments and

(b) what offences should be made compoundable.

2. I am further to request that in order to enable Government to send an early reply to the Government of India, your report may kindly be sent so as to reach Government not later than 25 proximo.

No. F. 1099|27-Judicial, dated 11th February 1929, from the Government of India, Home Department to the Government of Bombay, Home Department.

I am directed to forward for the information of the Governor in Council a copy of the correspondence with the Government of Burma, noted below, regarding a proposal to amend the Indian Motor Vehicles Act, 1914, so as to render certain offences under the Act compoundable. Before coming to a decision, the Government of India would be glad to be favoured with the views of the Governor in Council on the Burma Government's proposal, after consulting local public opinion, including Automobile Associations. I am to request that lists of offences which may suitably be notified as

compoundable, may also be furnished, should legislation on the lines proposed be favoured by the local Government.

1. Letter from the Government of Burma, No. 363-E-27, dated the 18th February 1928 and enclosures.

2. Letter to the Government of Burma, No. F. 1099|27-Judicial, dated the 23rd March 1928.

3. Letter from the Government of Burma, No. 363-E-27, dated the 23rd November 1928 and enclosures.

No. 363-E-27, dated 18th February, from the Government of Burma, General Department, to Government of India, Home Department.

I am directed to refer to your letter No. F-1099-27-Judicial, dated the 22nd December 1927, on the above subject, and to forward a draft bill amending the Indian Motor Vehicles Act, 1914, which has been prepared in the Legislative Department of this Government.

2. The Governor in Council considers that so far as Burma is concerned, provision should be made on the lines of the draft bill. The growth in the number of motor vehicles has rendered their control a matter of increasing difficulty; and unless offences can be dealt with promptly, efficient control is impossible. The burden imposed upon the magisterial courts in Rangoon, where, as at present, all offences are to be prosecuted in court, is exceedingly great and has proved too heavy for the existing staff of magistrates. Many offences, particularly first offences, can be adequately dealt with departmentally, if this is permitted; and it is believed that the proposed amendment of the law as well as relieving the courts, will be popular with those who would otherwise have to attend court as accused.

3. I am to note that it is considered necessary to leave the offences which are made compoundable to be notified by the Local Government from time to time. The Govrnor in council does not consider it desirable to make all offences under the Act, and rules, compoundable, and proposes to emit offences such as reckless driving under section 5, and exceeding speed limits imposed by rules framed by the Local Government. Moreover, it may be necessary to add to the notified offences from time to time in consequence of amendments of the rules framed by the Local Government.

4. If the Government of India are unwilling to legislate on these lines, I am to request that the sanction of the Governor General may be accorded to the introduction in the Burma Legislative Council of a local bill containing the same provisions.

THE INDIAN MOTOR VEHICLES (AMENDMENT) BILL 192

A Bill further to amend the law relating to Motor Vehicles in India.

WHEREAS it is expedient further to amend the Indian Motor Vehicles Act, 1914, for the purpose hereinafter appearing; It is hereby enacted as follows:—

Short Title.

1. This Act may be called the Indian Motor Vehicles (Amendmend) Act, 192 .

Insertion of new Section 18A in Act VIII of 1914.

2. After Section 18 of the Indian Motor Vehicles Act, 1914, the following section shall be inserted, namely:—

Compounding of offences.

"18A. (1) The Local Government may, by notification in the local official Gazette, empower an officer of a rank not inferior to that of an Assistant District Superintendent of Police to compound certain offences punishable under this Act or under any rules framed thereunder by the Local Government.

(2) The offences which may be compounded shall be notified in this behalf by the Local Government in the local official Gazette".

Copy of a letter No. F. 1099|27-Judicial, dated the 23rd March 1928, from the Secretary to the Government of India, Home Department to the Secretary to the Government of Burma, General Department.

Subject.—Question of amending the Indian Motor Vehicles Act, 1914, so as to render certain offences under the Act compoundable.

With reference to your letter No. 363 E 27 dated the 18th February 1928, I am directed to request that statistics for the past three years may be furnished showing separately for Burma excluding Rangoon and for Rangoon alone the growth (a) in the number of motor vehicles,

and (b) in the number of offences under the Indian Motor Vehicles Act 1914 or rules framed thereunder by the local Government for the same period, indicating if possible, the number of those which might have been dealt with departmentally if the legislation now proposed had been enacted.

Copy of a letter No. 363 E 27, dated the 23rd November 1928, from the Government of Burma to the Secretary to the Government of India, Home Department.

Subject.—Question of amending the Indian Motor Vehicles Act, 1914, so as to render certain offences under the Act compoundable.

I am directed to refer to Mr. Stuart's letter No. F. 1099|27-Judicial, dated the 23rd March 1928, on the above mentioned subject, and to forward, for the information of the Government of India, * statistics for the past three years showing separately for Burma excluding Rangoon and for Rangoon alone the growth (a) in the number of motor vehicles and (b) in the number of offences under the Indian Motor Vehicles Act, 1914, or rules framed thereunder by the Local Government for the same period, indicating also the number of those offences which might have been dealt with departmentally if the legislation proposed had been enacted.

* not forwarded.

2. I am to say that the figures are approximate only and that in addition to the cases which were originally suggested by the Local Government as suitable for exclusion as non-compoundable certain district officers have excluded other cases from their returns such as:

Exceeding the speed limit for heavy motor vehicles (Rule 44 of the Burma Motor Vehicles Rules, 1915).

Driving without a license (Section 6) or during the period a license has been suspended.

Non-compliance with the conditions imposed by the Government of India under clause (ii) of sub-section (1) of section 14 of the Act.

Using an unregistered motor vehicle (Rule 6 of Part A of the Burma Motor Vehicles Rules, 1915, Rule 3 of the Rangoon Hired Motor Vehicles Rules, 1927 and Rule 4 of the Hired Motor Vehicles Rules, 1927).

Exceeding width of motor vehicle or trailer (Rule 24 of the Burma Motor Vehicles Rules, 1915).

Being equipped with faulty brakes (Rule 28 **ibid**).

Overloading—Rule 57.

Not exercising special caution when approaching restive horses etc. (Rule 43 **ibid**).

Infringement of the restriction regarding driving backwards (Rule 47 **ibid**).

Failure to render assistance in the case of accidents (Rule 60 **ibid**).

Failure to report an accident to the Police Station—Rule 60 (a).

Extent of validity of license to drive—Section 9|16.

Faulty brakes. Rule 28|16.

Lamps to be kept alight half an hour after sunset to half an hour before sunrise. Rule 49|16.

Driving on the wrong side of the road. Rule 46.

Driving the car with incomplete Registered Number plates. Rule 20|16.

Driving the car without horns. Rule 27|16.

Failing to report the transfer to ownership of the car. Rule 13-A|16.

Disobedience of police order on duty. Rule 59.

The result, however, shows that the number of cases which will remain compoundable is considerable and this number is increasing rapidly and must add to the burden upon Magistrates not only in Rangoon, but in other districts where motor vehicles are used.

No. 748, dated 4th April 1929, from Chamber to Government of Bombay, Home Department.

I am directed by my Committee to acknowledge receipt of your letter No. 5082|2|B, dated 20th February, 1929, on the above, and to submit their views thereon as under:—

My Committee have considered the suggestions of the Government of Burma made to the Government of India in this connection.

They beg to observe that they are not in favour of the proposed changes and are strongly opposed to the Police trying departmentally certain offences under the Indian Motor Vehicles Act, 1914, which may be notified by Government from time to time. They would suggest in this connection that such offences should be tried by Honorary Magistrates in order to reduce the pressure of work, if any, in the Courts of Stipendary Magistrates. If, however, the existing number of Honorary Magistrates is not sufficient, more Honorary Magistrates may be appointed specially for this purpose.

My Committee hope that Government will be pleased to favourably consider their suggestions.

APPENDIX LXVI.

BILL TO PENALISE USE OF PICTURES OF GODS AND GODDESSES AS TRADE MARKS.

No. 543|141, dated 27th February, 1929, from the Bombay Chamber of Commerce to Chamber.

The attention of my Committee has been drawn to a Bill by Mr. Das for penalising the use of pictures of gods and goddesses, etc., as trade marks on goods imported into or manufactured in India. My Committee have examined the Bill, copy of which is enclosed, in consultation with the Import Sub-Committee of the Chamber and they are of the opinion that the result of the proposed legislation would be most damaging to the trade in piecegoods in particular and that every effort should be made to oppose it.

For many years past goods have been imported under tickets representing Indian deities and it has never been suggested, so far as my Committee are aware, that offence was caused thereby to Indian religious sentiment. This could scarcely be the case since it is the Indian dealer who selects his own mark or ticket and there are understood to be cases where Hindoo merchants have caused certain tickets dealing with religious subjects to be specially prepared in England for use on Manchester goods.

In years gone by tickets and stamps used in piecegoods and yarn were almost exclusively pictorial representations of religious

persons or incidents. Doubtless it was held that such marks were the best means of attracting buyers whose literate knowledge was largely confined to that sphere. More recently new styles and qualities have been described by marks representing modern life and this will probably be the natural line of development as time goes on. Meantime many old styles and qualities have considerable value under the old marks and the proposed legislation would in that respect be confiscatory.

My Committee will be glad to learn if they may rely on the support of your Chamber in resisting the proposals contained in the Bill.

A

BILL

To

Penalise the use of pictures of gods and goddesses, scenes from scriptures or mythology of any religion whatsoever as marks or trade marks on any article imported to or manufactured in India.

Whereas it is expedient to penalise the use of pictures of gods and goddesses, scenes from scriptures or mythology of any religion whatsoever as marks or trade marks on any article imported into or manufactured in India: It is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Act may be called the Indian Religious Pictures Trade Marks (Prevention) Act, 192.

(2) It extends to the whole of British India.

(3) It shall come into force on the first day of April, 1929.

Punishment for importing or manufacturing goods with trade marks of pictures of gods and goddesses, etc.

2. Any person from whom a customs duty is levied in any place in British India for importing any article or the manufacture in India of any articles whatsoever shall be punished with a fine not exceeding five hundred rupees if the articles so imported or manufactured bear on them picture of gods, goddesses, scenes from scriptures or mythology of any religion whatsoever, as marks or trade marks.

STATEMENT OF OBJECTS AND REASONS.

Many articles imported from foreign countries or manufactured in British India bear on them the stamp or picture of Hindu gods and goddesses, scenes from scriptures or mythology, as marks or trade marks. It is repugnant to religious sentiments that they should be so used and profaned by coming into contact with every day humdrum commercial life. Respect for Hindu sentiments demands that the pictures of gods and goddesses, and the scenes from scriptures and mythology should not be used as marks or trade-marks on any article sold in the market. In like manner, it is proposed to provide that pictures from life of Buddha, the Koran, the Bible should not be used as marks or trade marks on any article sold in the market. The object of this Bill is to penalise all such imports and manufactures so as to prevent the abuse that has grown up within recent years.

Commercialisation of religious sentiments is anti-Indian in tradition, culture and sentiment.

B. DAS.

Cuttack, the 20th July, 1928.

No. 770, dated 5th April, 1929, from Chamber to the Bombay Chamber of Commerce.

With reference to your letter No. 543|141, dated 27th February 1929, on the above, my Committee recognise the situation likely to be created by the Bill. I am, therefore, to inform you that they prefer expressing their views on the Bill when it is introduced in the Legislative Assembly and forwarded to them for opinion in its ordinary course.

APPENDIX LXVII.

THE INDIAN HIGH COURTS BILL.

Telegram dated 21st February 1929, from the Chamber to Government of India, through Sir Purshotamdas Thakurdas.

"Please to request Government of India to forward the following telegram to Secretary of State for India. Begins

Committee of the Indian Merchants' Chamber are deeply concerned that Indian High-Courts Bill should have been reintroduced in the House of Commons and lodge their respectful but emphatic protest against that part of the Bill which removes restrictions in the way of Civilian Judges of the High Courts being appointed Chief Justices. Stop. Such a proposal will it is feared lower the prestige of High Courts and undermine public confidence in them. The office of Chief Justice should, the Committee, urge, be held only by members of the Indian and English Bar."

No. F. 157|28-Judicial, dated 27th February 1929, from the Government of India, Home Department to Sir Purshotamdas Thakurdas.

I am directed to acknowledge the receipt of your letter, dated the 22nd February 1929, on the above subject, and to say that the message contained therein has been cabled to the Secretary of State as requested. A copy of this letter is being sent to the Secretary, Indian Merchants Chamber.

APPENDIX LXVIII.

EXTENSION OF THE PROVISIONS OF ORDER XXX AND XXXI RULE 50 OF CIVIL PROCEDURE CODE TO HINDU JOINT-FAMILY FIRMS.

No. 228, dated 22nd January 1929, from the Registrar, High Court Bombay to Chamber.

I am directed by the Honourable the Chief Justice and Judges to forward the accompanying copy of a letter, dated the 5th April 1928, from the Honoary Secretary, Bombay Incorporated Law Society, regarding the proposal to extend the provisions of Order XXX and Order XXI, rule 50, to Hindu Joint-Family Firms and to request you to favour their Lordships with the views of your Association in the matter, in duplicate.

Copy of a letter, dated 5th April, from the Bombay Incorporated Law Society to the Registrar, High Court, Bombay.

I have the honour to address you this letter under instructions of the Committee of the Bombay Incorporated Law Society.

The Bombay High Court has held that Order 30 of the Code of Civil Procedure is not applicable to Hindu Joint-family firms. It is further doubtful whether or not, Order 21, rule 50 of the Code applies to Hindu Joint-family firms. Persons holding decrees against the firms alleged to be joint-family firms are consequently put to great difficulty and expense in executing their decrees against the property of such firms.

Under the circumstances my Committee submits that it is extremely desirable that the provisions of order 30 and order 21, rule 50 of the Code should be extended to Hindu family firms. My Committee suggests that the following may be added as an Explanation to Order 30, rule 1:—

"**Explanation:** For the purposes of this rule and rules 2 to 9 "under this Order, the members of a joint Hindu undivided family "carrying on business alone or together with any other person or per- "sons shall be deemed to be partners and to constitute a firm."

My Committee further suggests that the following Explanation should be added to Order 21, rule 50:—

"**Explanation:** For the purposes of this Rule, the members of "a Joint and undivided Hindu Family carrying on business alone or "together with any other person or persons shall be deemed to be "partners and to constitute a firm and the property of such firms shall "be deemed to be the property of a partnership".

A Hindu joint-family business firm has a distinct entity and its name continues for a number of years. Businessmen lose sight of the members of the firm and have their dealings with the firm in the belief that they are quite secure in doing so. The position of minors or incapacity of female members, or want of male members, does not affect its entity. Such firms are mostly conducted by munims or managers. My Committee submits that for the greater security of decree holders it is eminently desirable that the Rules of the Code should be amended as aforesaid.

I shall under the circumstances be obliged by your submitting this letter to the Rule Committee for their consideration and such action as may be thought proper.

No. 513, dated 28th February 1929, from Chamber to the Registrar, Appellate side, High Court, Bombay.

I am directed to acknowledge receipt of your letter No. 228, dated 22nd January 1929, on the above subject, and in reply to state as follows:—

My Committee appreciate the desire which actuates the proposed extension. They, however, are of opinion that the amendment such as the one proposed will give rise to many complications if it is carried out. The difficulty is that a Hindu joint-family firm is not a partnership under the ordinary Contract Act but stands on an extremely different footing and thus the above Order could not be made applicable to a Hindu joint-family firm without great injustice to the different co-parceners of the family. My Commmittee are, therefore, of opinion that if necessary a new Order may be drafted keeping in mind all the bearings of the question appropriate to the incidents of a Hindu joint-family.

APPENDIX LXIX.

AMENDMENT OF SECTION 18 OF THE PRESIDENCY TOWNS INSOLVENCY ACT.

No. 5835|2-B, dated 9th August 1929, from the Government of Bombay, Home Department, to Chamber.

I am directed by the Governor in Council to forward herewith a copy of a letter from the Government of India in the Home Department, No. F. 414|29-Judicial, dated the 10th July 1929, regarding the proposed amendment of section 18 of the Presidency Towns Insolvency Act, and to request that you will be so good as to favour Government with the opinion of the Indian Merchants' Chamber, Bombay, in the matter.

Copy of a letter, No. F. 414|29-Judicial, dated 10th July 1929, from the Government of India, Home Department to Government of Bombay.

I am directed to address the local Government on the above subject.

2. Under section 18 (1) of the Presidency-towns Insolvency Act, 1909 (III of 1909), the Insolvency Court may, at any time after

the making of an order of adjudication, stay any suit or other proceeding pending against the insolvent before any Judge or Judges or the Court or in any other Court subject to the superintendence of the Court. The Calcutta High Court has held in the case of Sarat Chandra Pal vs. Barlow and Company (XLVIII calcutta Law Journal, 298) that section 18(1) of the Presidency-towns Insolvency Act, 1909, does not empower a Judge of the High Court sitting in insolvency to stay proceedings pending in respect of the same debtor in a District Court under the Provincial Insolvency Act, 1920. This is also the view of the Bombay High Court—I.L.R. 49 Bom. 788. It has been represented to the Government of India by the Hon'ble Chief Justice Calcutta that it is necessary to give the High Court Judge in insolvency power to stay insolvency proceedings pending against the same debtor in any Court subject to the superintendence of the High Court. The need for such power has been felt in Calcutta in view of the common practice prevailing there of debtors, who have carried on business in Calcutta, retiring to some part of the province sufficiently remote from that town and getting an accommodating creditor to present a petition in insolvency against them in a District Court. All this is done with a view to discouraging Calcutta creditors from prosecuting their claims in insolvency or securing a searching investigation of the debtors conduct and affairs. The mofussil Courts are very unwilling to exercise their power to stay their own proceedings under section 36 of the Povincial Insolvency Act. The administration of estates in insolvency in the High Court is as a rule considerably better than the administration by receivers appointed in the District Courts in the mofussil. It has, therefore, been suggested that the Presidency-towns Insolvency Act should be amended so as to confer upon the High Court in insolvency jurisdiction to annul or stay insolvency proceedings pending under the Provincial Insolvency Act, 1920, in any Court subject to its superintendence in respect of the same debtor, and also to give all necessary directions for the administration of the debtor's estate in the High Court. The power to annul or stay proceedings should be exercisable by the High Court not merely after adjudication but at any time after the presentation of the insolvency petition under section 10 of Act III of 1909.

3. The Government of India are disposed to agree that this amendment is desirable, but would be glad to be favoured with the

views of the Governor in Council in the matter. An early reply is requested.

No. 2094, dated 11th September 1929, from Chamber to Government of Bombay, Home Department.

In reply to your above letter, I am directed to inform you that my Committee have no objection to the proposed amendment of Section 18 of the Presidency Towns Insolvency Act.

IV STORES PURCHASE

APPENDIX LXX.

TENDERS FOR 10 PRINTING MACHINES FOR THE CENTRAL FORMS PRESS, CALCUTTA.

No. 690, dated 26th March 1930, from Chamber to Government of India, Department of Industries and Labour.

The attention of my Committee has been drawn to a recent tender invited by the Deputy Controller, Stationery, Calcutta, for the Government of India Central Forms Press, the tender being for 10 printing machines of different sizes worth about Rs. 60 to 70 thousands. It was mentioned by the Deputy Controller, Stationery, in his letter to one of the would-be tenderers that a call for tenders was being issued through the Director General, India Store Department, London, to manufacturers in the United Kingdom. My Committee cannot understand why definite instructions were issued to the Director General of the India Store Department, London, to invite tenders only from the United Kingdom. So far as my Committee are aware, tenders are invited by the India Store Department, London, from different countries without any restriction or limitation. They will, therefore, feel obliged if Government will be pleased to inform if there were any special reason for introducing a change in the procedure regarding the particular tender under reference.

My Committee understand also with regard to the above tender that there is a stipulation by Government that tenderers should undertake erection at the Central Forms Press. As generally such a stipu-

lation is not found to form a part of such tenders, my Committee would also be obliged if the reasons for such a condition are made available.

No. A586, dated 20th June 1929, from the Government of India, Department of Industries and Labour to Chamber.

In continuation of the letter from this Department, No. A586, dated the 9th April 1929, on the above subject, I am directed to say that the Government of India have ascertained that no definite instructions were issued to the Director General, India Store Department, London, to invite tenders for the purchase of the above mentioned machines from manufacturing firms in the United Kingdom only. Though this intention was not clearly explained, the letter issued to intending tenderers in India on the subject was intended to explain that a call for tenders was being made in the United Kingdom and not that the tenders are to be invited only from firms in the United Kingdom.

2. With reference to paragraph 2 of your letter dated the 26th March 1929, I am to invite attention to rule 3(b) (iii) of the Rules for the supply of stationery and printing stores for the public service which lays down that purchases of printing machines should be made from branches established in India of manufacturing firms provided they entertain an expert staff capable, when so required, of erecting and repairing the plant, machinery, etc.

APPENDIX LXXI.

PURCHASE OF FOREIGN TYPES BY THE GOVERNMENT OF INDIA AND OTHER PROVINCIAL GOVERNMENTS.

No. 757, dated 5th April, from Chamber to Government of India.

The attention of my Committee has been drawn to the purchase of print types by the Government of India by one of their members. It is said that Government purchased about 20 per cent. of the imported types from the United Kingdom through the India Store Department, London, from May 1927 to May 1928, and that out of the remaining 80 per cent. imported by the agencies from the United Kingdom large quantity is bought by Government locally. My Committee would

like to know the quantity of foreign types purchased by Government of India both directly from the United Kingdom and from importing agencies in India. They would also like to know the price at which these types have been purchased both in the United Kingdom and locally. Government cannot be unaware of the fact that the recent report of the Tariff Board on the type foundry industry enquiry states that Indian factories produce more than 80 per cent. of the types used by the printing presses in India. In view of this statement there would appear to be no occasion for any purchase of non-Indian types either directly from the United Kingdom or from local sources. My Committee are, therefore, directing this enquiry to you to get information as to the purchases made by Government and the reasons, if any, for their purchases of non-Indian types, if such is the case.

No. A48, dated 4th May 1929, from the Government of India, Department of Industries and Labour to Type Foundry Owners' Association, Bombay.

In continuation of the letter from this Department, No. A-48, dated the 5th April 1929, on the above subject, I am directed to say that as a result of enquiries made it is found that so far as the Government of India Presses are concerned no purchase of type of English manufacture was made either from the local agents in India or through the Director General of Stores in England during the past few years. In fact the Controller of Printing has been purchasing all the type required for the Government of India Presses from a type foundry in India. The Government of India have no information whether any type of English manufacture has been purchased by the Provincial Governments for the use of their presses.

Copy forwarded to the Controller of Printing and Stationery, India, for information.

Copy also forwarded to the Secretary, Indian Merchants' Chamber, Bombay, for information with reference to his letter No. 757, dated the 5th April 1929.

No. 1137, dated 17th May 1929, from Chamber to the Government of India, Department of Industries and Labour.

I am directed to acknowledge receipt of a copy of your letter, No. A. 48, dated 4th May 1929, addressed to the Honorary Secretary, Bombay Type Foundry Owners' Association, regarding above.

My Committee are glad to note that so far as the Government of India Presses are concerned no purchase of types of English manufacture was made either from the local agents in India or through the Director General of the India Store Department, London, during the past few years. They, however, take this opportunity to point out that from the list of stores indented by the Government departments in India on the India Store Department, London, from 1st May 1927 to 31st March 1928, it appears that the following quantities of types were ordered by Government departments:—

Date.	Quantity. lbs.	Style.	Departments.
1-7-27.	31	Caslon.	Government Survey of India, Calcutta.
1-9-27.	2796	Lining Gothic N. F. Roman. Roman, Italic.	Director, Botanical Survey of India, Calcutta; Survey General of India, Calcutta; Commissioner of Sind.
1-11-27.	436	Assorted.	Surveyor General of India, Calcutta.
1-3-28.	294	Letter Press Printing types.	Surveyors General of India.

These departments are under the control of the Government of India and it is but natural that they should conform to the general policy laid down by Government in regard to their purchase of stores, etc. If the Government of India Presses can obtain the necessary quantity of types of standard quality from a type foundry in the country, there does not seem to be any valid reason why the Botanical Survey and the Surveyer General of India departments of Government should place their orders for types outside India.

My Committee hope that in future Government will be pleased to issue necessary instructions to all their departments to give effect in practice to the policy laid down by them with regard to purchase of stores.

No. A48, dated 28th December 1929, from the Government of India to the Bombay Type Foundry Owners' Association.

In reply to your letter No. 2030, dated the 20th May 1929, I am directed to furnish the following information on the points mentioned therein:—

(1) Under the rules for the supply of stationery and printing stores for the public service, all officers under the con-

trol of the Central Government excepting the Surveyor General of India have to submit their indent on the India Store Department, London, through the Controller of Printing and Stationery. The Surveyor General of India requires some types of a special quality not obtainable in India for certain work done in his office and has not at present been able to avoid obtaining them from the United Kingdom. The Director, Botanical Survey of India, has in stock a quantity of English type used as Heading and display types which cannot be matched in India and he has had to obtain a small quantity from abroad for renewals. The attention of both the officers has, however, been drawn to the desirability of confining their requirements to the types of Indian manufacture as far as possible.

A copy is forwarded to the Indian Merchants Chamber, with reference to their letter No. T. 1137, dated the 17th May 1929.

CENTRAL PROVINCES.

No. 1141, dated 17th May 1929, from Chamber to the Government of Central Provinces, Nagpur.

The attention of the Committee of this Chamber has been recently drawn to the purchase of the following quantity of types from outside India by the Government of Central Provinces and Berar:—

Date.	Quantity.	Style.
1st March 1928.	lbs. 60	Scropt Types Imperial 12 and 18 pt. 12 fonts.

Government cannot be unaware of the fact that the Government of India have since long laid down the general policy regarding the purchase of stores required by them as well as the Provincial Governments. My Committee are of opinion that the Government of Central Provinces and Berar should have effected their purchases locally instead of placing orders for their requirements through the India Store Department, London. It may be interesting to point out in this connection that the Government of India have informed the Chamber that they have been purchasing all the types required for Government Presses from a type foundry in India for the past few years. In view of this there seems to be no valid reason why your Government should

not purchase the types required by them from Indian sources. My Committee will feel obliged if Government will be pleased to explain to them why these foreign types were purchased. They wish to express a hope that in future all their purchases will be effected locally, and they will like to be assured to this effect.

No. 2002|1059, dated 9th July 1929, from the Government of Central Provinces to Chamber.

With reference to your letter No. T. 1141, dated the 17th May 1929, on the subject noted above, I am directed by the Governor in Council to say that type of the kind purchased for use in the Government Press, Nagpur, is cast on interlocking bodies and cannot be manufactured satisfactorily in this country. The Government Press manufactures practically all the other type it needs.

BURMA.

No. 1140, dated 17th May 1929, from the Chamber to Government of Burma, General Department, Rangoon.

The attention of the Committee of this Chamber has been recently drawn to the purchase of the following quantity of types from outside India by the Government of Burma:—

Date.	Quantity.	Style.
1st July, 1927.	lbs.	Caslon, lining old style.
1st Nov., 1927.	7,884	Caslon, lining old style.
1st Mar., 1928.	2,042	Caslon, lining old style.
	6,087	

Government cannot be unaware of the fact that the Government of India have since long laid down the general policy regarding the purchase of stores required by them as well as the Provincial Governments. My Committee are of opinion that the Government of Burma should have effected their purchases locally instead of placing orders for their requirements through the India Store Department, London. It may be interesting to point out in this connection that the Government of India have informed the Chamber that they have been purchasing all the types required for Government Presses from a type foundry in India for the past few years. In view of this there seems to be no valid reason why your Government should not purchase the types required by them from Indian sources. My Committee will feel obliged if Government will be pleased to explain to them why

these foreign types were purchased. They wish to express a hope that in future all their purchases will be effected locally, and they will like to be assured to this effect.

No. 282, HH 29(596), dated 17th July 1929, from the Government of Burma, Separate Revenue Department, to Chamber.

In reply to your letter No. T|140, dated the 17th May 1929, regarding the purchase of certain types from outside India by the Local Government, I am directed to say that the types referred to are additions to founts of types already in use in the Local Government Press. As the mixing of two different founts of type would involve difficulty and inconvenience the new types were obtained from the same source as those already in use.

BOMBAY.

No. 1139, dated 17th May 1929, from Chamber to Government of Bombay, General Department.

The attention of my Committee has been recently drawn to the purchase of the following quantity of types from outside India by the Government of Bombay:—

Date.	Quantity.	Cheltenham.
	lbs.	Style.
1st July, 1927.	45	

Government cannot be unaware of the fact that the Government of India have since long laid down the general policy regarding the purchase of stores required by them as well as the Provincial Governments. My Committee are of opinion that the Government of Bombay should have effected their purchases locally instead of placing orders for their requirements through the India Store Department London. It may be interesting to point out in this connection that the Government of India have informed the Chamber that they have been purchasing all the types required for Government Presses from a type foundry in India for the past few years. In view of this there seems to be no valid reason why the Government of Bombay should not purchase the types required by them from Indian sources. My Committee will feel obliged if Government will be pleased to explain to them why these foreign types were purchased. They wish to express a hope that in future all their purchases will be effected locally, and they will like to be assured to this effect.

No. 356-C, dated 14th June 1929, from Government of Bombay, General Department to Chamber.

With reference to your letter no. T-1139, dated the 17th May 1929, regarding purchase of a certain quantity of types from outside India, I am directed by the Governor in Council to state that the small quantity of type was purchased by the Superintendent, Government Printing and Stationery, Bombay, from England for making matrices for manufacturing the large quantity of type required by the Presses, in the Government Central Press type foundry.

2. With reference to the concluding portion of your letter I am to add that the Government of Bombay have issued strict orders to their officers that Indian-made articles should be purchased as far as possible and to assure your Chamber that every effort is being made to see that the orders are being carried out.

BEHAR & ORISSA.

No. 1138 dated 17th May 1929, from Chamber to Government of Behar, Orissa & Patna.

The attention of the Committee of this Chamber has been recently drawn to the purchase of the following quantity of types from outside India by your Government:

Date.	Quantity.	Style.
1st May 1927.	Lbs. 433.	Assorted.

Government cannot be unaware of the fact that the Government of India have since long laid down the general policy regarding the purchase of stores required by them as well as the Provincial Governments. My Committee are of opinion that the Government of Behar & Orissa should have effected their purchases locally instead of placing orders for their requirements through the India Store Department, London. It may be interesting to point out in this connection that the Government of India have informed the Chamber that they have been purchasing all the types required for Government Presses from a type foundry in India for the past few years. In view of this, there seems to be no valid reason why your Government should not purchase the types required by them from Indian sources. My Committee will feel

obliged if Government will be pleased to explain to them why these foreign types were purchased. They wish to express a hope that in future all their purchases will be effected locally and they will like to be assured to this effect.

No. 977 F. R. dated 15th July 1929, from the Government of Behar & Orissa to Chamber.

With reference to your letter No. T-1138, dated the 17th May 1929, I am directed to inform you that the type in question was of special character, unobtainable in India.

APPENDIX LXXII.

TENDERS FOR THE SUPPLY OF STATIONERY STORES TO GOVERNMENT.

No. 2296 dated 17th October 1929, from Chamber to Government of India, Department of Industries and Labour.

The attention of the Committee of this Chamber has been drawn to an advertisement appearing in the Indian Trade Journal dated the 26th September 1929 inviting tenders for the supply of stationary stores, **Chiefly of European manufacture** for the Government Central Stationary Office. My Committee would like to be informed of the reasons necessitating the purchase being confined to stationary stores **chiefly of European manufacture.**

No. A 48 dated 29th January 1930, from the Government of India to Chamber.

In reply to your letter No. 2296, dated the 17th October 1929, drawing attention to an advertisement appearing in the Indian Trade Journal of the **26th** September 1929 for the supply of stationery stores, I am directed to say that this advertisement should be read with those appearing in the Indian Trade Journal of the **10th** and **24th** October 1929 inviting tenders for the supply of certain stationery stores chiefly of Indian manufacture. For the purpose of inviting tenders, it was found convenient to separate stationery stores of the types and qualities not usually manufactured in India from those which are usually manufactured in India. The description "chiefly

of European manufacture" used in the advertisement appearing in the Indian Trade Journal of the 26th September 1929, was intended merely to give expression to this distinction and does not mean that the articles for which tenders were invited should have been manufactured mainly in Europe. Nothing in the wording of the advertisement was intended to exclude the tender of articles which, though conforming to the details to be specified, were manufactured either wholly or partly in India. Indeed, if the quality of such articles is sufficiently good and the prices not unfavourable, the Central Stationery Office is bound by the existing orders of the Government of India to give preference to those articles.

2. I am to add, however, that the Government of India are considering the question of effecting a change in the wording of advertisements inviting tenders for the supply of stationery stores with a view to avoid any possible ambiguity that may be caused by the use of the expression "chiefly of European manufacture."

APPENDIX LXXIII.

AGENCY WORK OF INDIAN PORT TRUSTS IN THE UNITED KINGDOM.

No. 1-3|26 from the Indian Chamber of Commerce, Calcutta to Chamber.

I am directed to forward a copy of the correspondence that has passed between my Chamber and the Government of India, Commerce Department, regarding the agency work of Indian Port Trusts in the United Kingdom. You will find from the correspondence that the Government of India are not prepared to move in the matter unless they are approached by the Port Trust Administrations concerned I have, therefore, to request you to take an initiative in the Port Trust at your place through your representatives on the body. My Committee will be obliged if you will be good enough to inform them of the result of your efforts in the matter.

No. 237-M. 11|29 dated 15th July 1929, from the Government of India, Commerce Department to the Indian Chamber of Commerce, Calcutta.

With reference to your letter No. 1-3|26 dated the 11th June 1929, I am directed to say that, as stated by the Hon'ble Sir George Rainy in the Legislative Assembly on the 30th January last in reply to Mr. G. D. Birla's question on the above subject, the Government of India would be prepared to consider whether it would be possible for the High Commissioner for India to undertake agency duties for the Port Trusts in India as a matter extraneous to his duties as High Commissioner, should the Port Trusts desire that the High Commissioner should act as their agent in the United Kingdom. The Government of India have not so far received any proposals from the Port Trusts in this connection and they do not propose to move in the matter until they are asked to do so by the Port Trusts concerned.

From the Secretary, Indian Chamber of Commerce, Calcutta, to the Secretary to the Government of India, Department of Commerce, Simla.

I am directed by the Committee of the Indian Chamber of Commerce to refer to the questions put by Mr. Ghanshyam Das Birla in the Legislative Assembly on 30th January, 1929, regarding the Agents in Great Britain for certain Port in India and to support strongly the suggestion that the duties at present performed by different Agents may be assigned to the High Commissioner's Department in the interests of economy as well as efficiency. These duties consist, for the most part, in purchase and shipment of stores, payment of pensions, leave allowances, etc., and the rendering of professional advice; and for their performance the Agents generally receive a fixed fee and a commission on a varying scale. The total payments to the Agents in London for the Port Trusts of Bombay, Calcutta, Madras, Karachi and Rangoon for the last five years would have averaged about Rs. 1,20,000 and have included, besides the fixed fee and the commission, certain special fees and inspection charges.

The High Commissioner for India is by virtue of his position peculiarly fit to undertake and discharge quite efficiently duties of

this nature; and there is little doubt that the suggested reform which will make for centralisation in more directions than one will result in a substantial saving to the Indian exchequer. The India Store Department attached to the High Commissioner's Office is especially equipped for work involving purchase, inspection and shipment of stores; and the Port Trusts may with profit follow the example of the State Railways in making use of this organisation for the securing of all professional advice.

The official reply to Mr. Birla's questions on the subject raised a technical issue by saying that the duties which the High Commissioner would assume as agent for the Port Trusts would not be within the duties assigned to him by His Majesty's Order in Council dated the 13th August, 1920. This should not, however, prove an insuperable obstacle to the acceptance of the proposal, since if once Government realised the necessity of entrusting work of a semi-official character to its own agent and of effecting the saving which might thereby result, it should not be difficult at all for them to change the rules so as to enable the High Commissioner to act on behalf of public bodies like Port Trusts. My Committee would suggest a reference of this question by the Government to the Port Trusts and the High Commissioner explaining the existing system and position and bringing home to them the necessity of the reform which Indian commercial opinion so strongly desires to have.

An early communication on the subject will be appreciated.

No. 2388, dated 30th October 1929, from Chamber to Indian Chamber of Commerce, Calcutta.

Please refer to your letter No. 1-3|26 dated the 30th July 1929 on the subject of transferring the Agency work of Indian Port Trusts in the United Kingdom to the High Commissioner for India. This matter was considered by my Committee, and in view of the fact that the management and control of all Port Trusts was most likely to be taken over by the Government of India, my Committee felt that they need not go into the qustion for the present.

They are, however, addressing the Bombay Port Trust that in the matter of their purchases they should be guided by the Government of India's new Stores Purchase Rules, via: that wherever pos-

sible, stores of Indian manufacture should be purchased and that purchases from abroad should be on the basis of Rupee tenders.

No. 2424, dated 7th November 1929, from Chamber to the Bombay Port Trust.

The Indian Chamber of Commerce, Calcutta, drew the attention of this Chamber suggesting that the High Commissioner for India should be placed in charge of the purchasing work on behalf of all Port Trusts which have at present their own agents for this purpose in the United Kingdom. The matter coming before my Committee, the D. O. letter No. 4965 dated the 8th October 1929 of your Chairman to the President of the Chamber was considered. I am directed by my Committee to draw the attention of your Board to the desirability of being guided in the matter of the purchase of stores by the new Stores Purchase Rules of the Government of India. These Rules lay down that wherever possible stores of Indian manufacture should be purchased and that purchases from abroad must be on the basis of Rupee tenders. My Committee hope that in view of the fact that these Rules have been prepared and published by Government after a good deal of consideration and consultation with the commercial community, the Board of the Bombay Port Trustees will also be pleased to adopt them for their purchases. Please to place this before the Board for their consideration and action.

V.—GENERAL TRADE AND INDUSTRY.

APPENDIX LXXIV.

INTERVIEW WITH THE HONOURABLE SIR GEORGE RAINY, MEMBER FOR COMMERCE AND RAILWAYS, GOVERNMENT OF INDIA.

Speech of Mr. L. R. Tairsee, President of the Indian Merchants' Chamber, at the time of the Interview of the Hon'ble Sir George Rainy, K.C.I.E., C.S.I., I.C.S., Member for Commerce and Railways, Government of India, with the Committee of the Chamber on Tuesday, the 2nd July 1929:

Sir,

I have great pleasure in extending to you a cordial welcome, on

behalf of the members of the Committee of the Indian Merchants' Chamber, on your visit this morning.

TARIFF BOARD.

The first question which my Committee would like to discuss with you is limitations of the functions and powers of the Tariff Board. The Board is working, as you know, Sir, under the limitation placed in the shape of a policy of so-called **discriminating protection.** To take an instance, Sir Padamji Ginvala said at the time of the enquiry into the match manufacturing industry in India: "Our terms of reference require us to consider whether the loss of revenue which is likely to result from the expansion of Indian industries can be made up in whole or in part by any other appropriate form of taxation of the industries. You will therefore have to advise us as to what course we should suggest consistently with your interest". This shows how the Tariff Board **all along among other things is** labouring under anxiety regarding the revenue nature of the Customs duty in force. This is, however, only an instance of one limitation. There are other limitations also which need to be removed. To attain this the policy of Government will have to be reconsidered. My Committee submitted even at that time in reply to Sir Padamji Ginvala, that "these revenue considerations should not weigh at all with the Tariff Board and their duty was to find out what protection was necessary for any particular industry with regard to which they were conducting their enquiries." There have been occasions when this policy has acted like a clog on the activities of the Tariff Board and their reports on particular questions have necessarily suffered from these limitations of the policy, with the result that in but few cases have the industries got what they asked for. Time has now arrived when Government should adopt frankly the policy of protection leaving aside the so-called "discriminating protection" as a thing of the past which will satisfy neither the present nor the future. My Committee are informed that in the United States of America there is a Tariff Commission with wide powers. The United States Government are not content with getting only a report or two during the course of the year, but refer to the Commission all cases calling for urgent relief in matters of Tariff. The Commonwealth of Australia

has also a broad and comprehensive constitution for its Tariff Board, the functions of the Board being wide enough to include the following matters:—Classification of goods under all tariff items, determination of the value of goods for duties, **necessity for new, increased or reduced duties, and the deferment of existing or proposed deferred duties, the necessity for granting bounty for the encouragement of primary or secondary industries in Australia,** effect of existing bounty or bounties subsequently granted, any proposal for the application of the British Preferential Tariff or Intermediate Tariff to any part of the British Dominions or foreign country together with any request received from any producer or exporter in respect to the export of their goods to any such part or country, etc., etc. It is interesting to note that during the year ending 30th June 1928, the Australian Tariff Board held 298 sittings and furnished to the Minister for Trade and Customs in all 824 reports. These included a large number of applications which formed the subject of public enquiries regarding increased duties or bounties. As contrasted with the constitution of such Tariff Commissions in progressive and enlightened countries, the constitution of the Indian Tariff Board as **"purely an investigating and advisory body"** appears almost to be a mockery. With a constitution like this even a personnel such as Sir Padamji Ginvala and his two colleagues cannot be expected to achieve much in the direction of help to industries. My Committee have prepared an analysis of the different Reports of the Tariff Board and the findings of Government thereon. A detailed statement is appended herewith. It is seen from this that since the adoption of the principle of "discriminating protection" and the consequent appointment of the Indian Tariff Board, the Government of India referred to them in all cases regarding 15 industries for protection in one from for protection in one form or another and the claims of the other 7 industries were rejected, while the case of one industry is still pending before the Board. The Government of India accepted the recommendations of the Board for 7 industries, but actual effect was given to only 6 cases and in one case effect is not yet given to. In the case, however, of the Textile Industry Government did not give full effect to the recommendations of the Tariff Board. Four other appli-

cations for Tariff equality were referred to the Tariff Board, whose recommendations were accepted by Government.

It may be pointed out in this connection that the Indian Fiscal Commission had made their recommendations regarding the functions of the Tariff Board in a broad and statesmanlike spirit. They were right in saying that excepting in one or two particulars the functions which they had suggested were the functions of the United States Tariff Commission and the Australian Tariff Board. Unfortunately, the Government resolution which constituted the Indian Tariff Board departed widely from those recommendations and narrowed the functions down to a considerable extent. My Committee would, under these corcumstances, strongly urge a change in the policy.

RAILWAY RATES ADVISORY COMMITTEE:

The next item my Committee would like to place before you for your consideration is the necessity for a change in the functions and methods of work of the Railway Rates Advisory Committee. It has been a grievance with my Committee from the very beginning that Government instead of appointing a **Railway Rates Tribunal** as recommended by the Acworth Committee, appointed the Railway Rates Advisory Committee. The Rates Advisory Committee works under certain limitations and restrictions, as they are supposed to go only into the question of preference and not beyond that. The Advisory Committee should have power to go beyond this and to make enquiries even regarding the rates and their adverse effects on particular industries. As matters stand at present, applicants are always called upon to prove the preferential character of the rates. There may not be, however, in several cases any preference and yet the rates may be extremely adverse to a particular industry or industries. The functions of the Railway Rates Tribunal in England are very wide and they have the power to determine questions brought before them with regard to classification of merchandise, through rates, group rates, etc., etc. My Committee wish to point out that when Sir Charles Innes, the then Member for Commerce, modified the Acworth Committee's recommendation regarding the Rates Tribunal and constituted the Railway Rates Advisory Committee he indicated that that was only a stepping stone to a properly constituted Rates Tribunal enquiring into the reasonableness or other-

wise of rates and freights. During the last three years which have elapsed since the appointment of the Rates Advisory Committee, both Government and the Advisory Committee must have had ample experience to show them the wisdom and justification of expanding the functions of that Committee and converting it into a Tribunal, if Indian industries are really to be benefitted. My Committee may also be allowed to point out that applicants have to spend a good deal of money in engaging good Counsel specially as the Railway Companies with their ample financial resources can employ the best available legal talent.

APPROPRIATION OF RAILWAY SURPLUSES TOWARDS REDUCTION OF FREIGHTS AND RATES.

My Committee discussed the question regarding the appropriation of Railway surpluses for reduction of freight and rates with Mr. P. R. Rau Financial Commissioner for Railways, when he visited them recently. We pointed out that since the last 4 or 5 years there had been a steady increase in the earnings of the Railways and a certain percentage of profits was transferred to the General Revenues and a certain percentage was also kept for Reserves, Depreciation and other Charges. Mr. Rau replied that the question of giving relief to indigenous industries from the railway earnings was one of the questions which would be considered by the Committee appointed by the Legislative Assembly to review the separation of Railway from General Finance. Railways are the monopoly of the State in this country, and the power of operating rates which rests with the State, is thus the power to raise indirect taxation, without the sanction of Legislature and hence is not controlled by it. My Committee urge that the surpluses, if any, should be utilized to encourage and benefit trade from which they are drawn. It is futile to argue that Railways should be worked to get commercial profits. This is not the line of reasoning adopted by progressive countries which believe that Railways are an instrument for developing trade and industries and should not be worked as commercial concerns, pure and simple. There should be special rates for raw materials and for manufactured products in order that industries may get their raw materials at cheap rates and may be able to send out their manufactured products to the different outlying parts of the country, even in competition with

foreign manufactures. We hope that a satisfactory solution of this question will be arrived at while a Special Committee of the Legislative Assembly is sitting to consider the question of separation of Railway from General Finance.

INSURANCE LEGISLATION.

My Committee wrote to the Government of India last December drawing their attention to some defects in the legislation enacted at the Simla session of the Assembly for the regulation of Insurance Companies. Section 8 Clause (1) of the said legislation requires a statement showing "in respect of premium income for which credit is taken in the revenue account the amount of premium derived from business effected in India." Such a Clause would not suffice to bring in all the required information from Insurance Companies. Suppose a mill gives a premium of Rs. 25,000 on its risk to Company A. That Company will necessarily not retain the entire business but will either reinsure locally with other companies and/or with companies in England or elsewhere which have no branches working in India. As a result of this, Company A and other companies working in India with whom Company A has reinsured will give the amount of premium earned by each of them in their returns. As regards, however, the companies which have no office in India and to which Company A will have given some business by way of re-insurance, they will not submit their returns and consequently the full premium of Rs. 25,000 will not be shown in the returns submitted to Government. Your Department replied that when facts regarding the amount of re-insurance effected with companies not operating in British India have been ascertained, this question would be carefully considered. My Committee hope that the necessary amending legislation will be brought forward at the coming Simla session. You know, Sir, that my Committee are anxious for the last several years for a complete overhauling of the Insurance Legislation and the introduction of a comprehensive enactment in the Legislative Assembly. Three years back there were two Bills before the Assembly, one introduced by the then Commerce Member and the other introduced by Mr. Jamnadas M. Mehta. Unfortunately, since that time the matter is kept in abeyance. My

Committee understand that Government are not inclined to proceed in the matter, till following the Clauson Committee's report British legislation has assumed its final form. We should like, however, now to know definitely from you when you expect to have a comprehensive legislation introduced in the Assembly. Insurance is one of the main directions in which the development of a country lies, and in the interests of the country no further delay in the matter is advisable.

REPLY OF THE COMMERCE MEMBER AT HIS INTERVIEW WITH THE COMMITTEE OF THE INDIAN MERCHANTS' CHAMBER, ON 2ND JULY 1929:

The Hon'ble Sir George Rainy then replied to the different points referred to in the speech of the President.

With reference to the remarks made about the constitution and functions of the Tariff Board by the President, the Hon'ble the Commerce Member observed that he would like to make it clear in order to remove any misunderstanding that the Tariff Board generally was not affected by considerations of the revenue of the Government of India. He was himself a Member of the Tariff Board once and he could say that revenue considerations did not affect the Board's recommendations. Such consideration did play some part, he admitted, with regard to the enquiry into the protection to the Indian Match Industry, but this was due to the peculiar nature of that enquiry.

The Hon'ble Sir George Rainy admitted that the Committee of the Chamber were consistent in their demand for a change in the constitution and functions of the Tariff Board. They were naturally anxious to expand the basis of protection. For the next two years, however, the Government of India would be busy with the Constitutional Enquiry and it was not likely that they would see their way to initiate a new enquiry till the broader question regarding the Indian Constitution was settled. He realised that a general enquiry into the Tariff Board question would have to be undertaken by Government after the constitutional enquiry was completed.

Regarding the Railway Rates Advisory Committee, he was aware that many people were anxious to see its place taken by a Railway Rates Tribunal. That question would have to be tackled sooner or later and he did not think it could be deferred much longer. The matter, however, required close study, because it would be necessary to indicate clearly the functions of the Tribunal and the purposes for which its powers were to be exercised. He promised that he would ask the Railway Board to advise the Government of India what the most suitable way would be to investigate the question further, either by placing an officer on special duty or otherwise.

Regarding the next subject mentioned by Mr. Tairsee, viz., appropriation of Railway surpluses, he could not add anything to what had been already said by Mr. P. R. Rau, Financial Commissioner for Railways, when he saw the Committee last. This question formed a part of the general question of the separation of Railway special Committee of the Legislature.

As regards the proposal for a short amending Bill re: Insurance, he said that he had not an opportunity of looking up the Government file on the subject. Speaking from memory, he was under the impression that all the information desired for arriving at a decision had not yet been obtained. He thought it probable that by the September session the Government of India would be in a position to say whether they intended to legislate or not, but he did not think it likely that any legislation would be introduced in the Simla session.

Regarding comprehensive Insurance legislation referred to by the President, he could not help reiterating what he had said in the past, viz., that it would be advisable to wait till legislation was passed by the British Parliament following the report of the Clauson Committee.

A general discussion then ensued in which Sir Chunilal V. Mehta, Prof. K. T. Shah, and Mr. B. N. Karanjia took part.

The meeting dispersed after the President had again thanked the Hon'ble Member for his interview that day.

APPENDIX

Summary of the recommendations of the Tariff Board and Government Resolutions thereon:

(1). STEEL INDUSTRY

I.

The first Report of the Tariff Board was submitted to Government in January 1924 and covered in main two recommendations in regard to the main Iron and Steel Industry:—

(a) The first recommendation was for the imposition of additional duties on those items of iron and steel manufactured, excluding railway material, as the Tata Steel Company was already handling.

(b) The second recommendation was for the granting of bounties at a certain rate in respect of all rails and fish-plates made by Tatas and passed by the Government Inspector.

The second recommendation was specifically made in that form in view of the fact that Tatas already had contracts at fixed rates with a large number of Railways in India and any protective duty imposed on the import of this class of materials would not have benefited Tatas.

Government accepted all these recommendations as made and the Special Steel Industries Act passed in June 1924 confirmed this. In the case of the bounties, retrospective effect was given from the beginning of the official year (viz. 1-4-1924).

II.

Within a few months after this scheme came into force, it was discovered that in the interval between the Tariff Board Report and the passing of the legislation, conditions had altered so considerably that even the measure of protection would not help Tatas to carry on. The Tariff Board were again asked in November 1924 to report promptly on the question and their report recommended to Government the imposition of further protective duties. When this Report reached Government, they consulted the Tariff Board as to whether they would not consider an alternative proposal for bounties in cash to take the place of the further additional duties which were recommended. The Tariff Board at once agreed that this would be bet-

ter proposal and stated specifically that in their proposals to Government they did not suggest bounties, because they were not quite sure that the finances of the Government of India permitted the paying out of these bounties. The further legislation sanctioning these bounties was adopted by the Legislature.

III.

In June 1925, the Tariff Board were asked to investigate the question of continuing bounties on all steel. The Tariff Board recommended Rs. 90 lacs for 18 months but Government reduced this to 60 lacs and the Legislature accepted the reduced amount.

IV.

The whole position was to be revised at the end of three years according to the original understanding and the Tariff Board made its Report in respect of the main items of steel manufactured by Tatas and upon this the Amending Act was passed in 1927 whereby bounties of all kinds were abolished and a set of duties on a much lower scale than was applicable when this revising legislation was passed, was imposed. It is clearly understood according to the Tariff Board recommendation which were wholly accepted by Government, that this revised scale of duties which is now in force, is for a term of 7 years, and it is also understood that Tatas should have the first years as lean years as these duties would not help them immediately to earn the average profit of approximately 8 per cent., which according to the Tariff Board, an Indian industry should make, but on an average of 7 years the result should be obtained. In this case too, the Government was generally in agreement with the recommendations of the Tariff Board which were accepted by the Legislature.

V.

During all these investigations, the Tariff Board also had before them the case of those affected by these duties, namely Engineering Firms that fabricate steel and others that manufacture railway rolling stock and wagons. In the first instance, bounties were arranged for in respect of the wagon manufacturers on a scale published. The bounties were recommended by the Tariff Board. Government accepted the recommendations and the Legislature passed them.

In regard to fabricated steel, special higher rates of duty were imposed to cover partly the additional burden in respect of high cost of steel as the Engineering firms in India would have to use the steel at higher prices on account of the higher duties imposed and partly also as a protection to this particular class of business, because a case was made out to the satisfaction of the Tariff Board that they also required special protection for the industry. In this matter also throughout the three different stages of the enquiry by the Tariff Board, there was unanimity between the recommendations of the Board and the Resolution of Government, with the result that all the proposals were duly accepted by the Legislature.

In regard to wagon manufacture, the proposals of the Tariff Board in their last report were accepted by Government and even improved upon. The Legislature were asked to accept a scale of duties higher even than those recommended by the Tariff Board in this case. In view, however, of the discussions which preceded this event regarding the policy of Government and Railways as regards quantities of wagons to be manufactured from year to year and the other discussions on the subject, the Legislature were not agreeable to the scheme, which has remained in abeyance. The Legislature, it appears, will be prepared to accept what the Tariff Board recommended.

(2) OTHER INDUSTRIES.

Proposals of the Tariff Board.	Action taken by Government.
Sulphur:	
Removal of the import duty owing to industrial importance of Sulphur products. Specially Sulphuric Acid. Abolition of duty on all kinds of Sulphur.	Duty removed from 1925.
Paper & Paper Pulp Industry:	
(1). Government to provide capital (Rs. 10 lacs) to develop the manufacture of paper from bamboo.	Not accepted.

(2). Specific duty of 1 anna per pound on all writing paper other than newsprint containing 65 per cent, or more of mechanical pulp.	Accepted. Bamboo Paper Industry Protection Act (XXV of 1925).

Printer's Ink Industry:

(1). Industry does not satisfy conditions laid down by the Fiscal Commission, but the tariff anomaly should be removed by raising the duty on imported printer's ink from 2 1|2 per cent. to 5 per cent.	Accepted. Indian Tariff (Amendment, Act XVII, 1926.

Cement:

(1). The conditions in the industry warranted no action by Government.	Accepted.
(2). But as most of the factories suffered from long lead a scheme of bounties was suggested on cement consigned from an Indian factory to ports of Bombay, Madras, Calcutta and Karachi or to railway stations within a specified radius of these ports.	No action was taken.

Magnesium Chloride:

Claim rejected.

Spelter:

Duty on spelter and Zinc be removed.	Accepted. Duty on Zinc removed. (Act III of 1927) Steel Industry Protection Act.

Galvanised Hardware:

Enhancement of duty not recommended.

Coal:

Claim for protection rejected.

Wire & Wire-nails:

A. (1) Supplementary protection:

Protection for wire and wire-nails industry was first recommended by the Board in their first report on the inquiry into the steel-industry. Effect was given to this recommendation by the Steel Industry Protection Act 1924 which imposed a protective duty of Rs. 60 per ton on wire and Rs. 3 per cwt. on wire-nails. The Board did not recommend the grant of further protection.

Accepted. Resolution 362-T (3), dated 17-7-26.

(2) Board were further of opinion that the question of further protection should be considered by them in their statutory inquiry into the Steel Industry which was then proceeding.

Accepted — do —

In their subsequent report on the statutory inquiry into the Steel Industry the Board rejected the claim for protection, and further proposed that the duty on wire and wire-nails be discontinued.

Accepted. Duty on iron & steel wire removed. Act VIII of 1928.

(3) The Steel Industry (Protection) Act, 1924, also imposed a protective duty of Rs. 40 per ton on all sizes of steel bar and rod. Wire and wire nails are manufactured from steel rod of small gauge. But the Indian Steel Wire Products, Ltd., which was the only firm making wire and wire nails, had an agreement with

The Government of India accepted this recommendation and have decided to remit, by notification under section 23 of the Sea Customs Act, so much of the present duty as is in excess of the former revenue duty of 10 per cent. ad valorem...

the Tata Iron and Steel Co., for the purchase of wire rod at a price which was not dependent on the import duty. The Tariff Board therefore opined that the protective duty on steel rod would not conflict with the protection of wire and wire nails. But the Tata Iron and Steel Company have not yet produced steel rod of small gauge, and it is reported that it would not be in their interest to manufacture it. Thus the protective duty is not only unnecessary, but also operates to diminish the protection on wire and wire nails which the Act was intended to give. In these circumstances, the Tariff Board recommended that the protective duty on steel rod and round bar of less than 1|2 inch diameter should be removed.	
B. The Board did not recommend imposition of a higher duty on wire nails than on wire.	Accepted. Resolution referred to above.
C. The exemption of wire and wire rod used in the manufacture of hackles, from the existing protective duties on wire and wire rods: In this connection the Board were of opinion that the removal of protective duty on steel rod and round bar of less than 1|2 inch diameter will give sufficient relief to the manufacture of hackles.	— do —
Shipbuilding Industry:	
(1) The Industry does not require protection except in so for as it is affected by the protective duties on iron and steel.	Accepted. Resolution 221-T (2) of 14-8-26, Com. Dept.

(2) The duty on ships and other vessels for inland and harbour navigation when imported in parts should be 10 per cent. **ad valorem** subject to a minimum of Rs. 35|-per ton on protected iron and steel.	Accepted.
This minimum rate had been based on the then existing rates of duties and might require modification as a result of the statutory enquiry into the iron and steel industry which was then in progress.	Postponed legislation giving effect to this recommendation pending the result of the statutory enquiry. Meanwhile decided to exempt the iron and steel in ships or other vessels imported for inland and harbour navigation from so much of the protective duties as is in excess of 10 per cent. **ad valorem** per ton whichever higher.
In their report on the statutory enquiry into the steel industry the Board proposed that the minimum compensatory protection should be decreased from Rs. 35|- to Rs. 23|- per ton.	Accepted. Steel Industry Protection Act (Act III) of 1927.

Printing Paper: Changes in the Import Duty:

The question referred to the Board was the interpretation of the entry in the Tariff Schedule imposing a protective duty of one anna per pound in printing paper containing less than 65 per cent. of mechanical wood pulp. Government had ruled that percentage of mechanical pulp should be calculated on the total weight of the paper	The recommendation was accepted by Government and embodied in an Act passed at the September (1927) of the Legislature.

and not merely on the fibre content. The effect of this ruling was to bring within the scope of the duty large quantities of imported newsprint which there appeared reason to believe it had been the intention of the Legislature to exclude when the Bamboo Paper Industry (Protection) Act of 1925 was passed. The Board reported in favour of excluding from the protective duty printing paper containing no mechanical wood pulp or in which the mechanical wood pulp amounts to less than 65 per cent of the fibre content.

Textile Industry:

(1) Spinning of higher counts should be stimulated by grant of a bounty.	Accepted after prolonged negotiations and interview of Millowners with H. E. the Viceroy.
(2) General increase of import duty to meet with expenses in carrying out the recommendations of the Board.	Proposal not accepted.
(3) President of the Board recommended an additional duty on imports from Japan.	Also not accepted.
(4) Board admitted temporary handicap on the industry owing to stabilisation of the Rupee at 18d.	Not at all touched by Government.
(5) Concession of free entry enjoyed by Cotton Mill machinery and millstores prior to 1921 should again be granted.	Accepted.

(6) Recommended appointment of Trade Commissioners.	Understood being considered by Government; no definite action has been taken.
(7) Survey of Overseas Markets by a Trade Mission.	Accepted. Trade Mission was appointed and it has submitted its report, which is still under consideration.

Plywood & Tea-chest Industry

Import duty on plywood panels and battens of tea-chests and rubber boxes should be abolished. Specific export duty on tea-chests other than those of which the plywood panels are not of Indian manufacture at the rate of 0-6-6 per 100 lbs. of tea, for five years.	Accepted. Except as regards the form of protection: necessary legislation was introduced in the Assembly on 3-3-28, but it has not been proceeded with afterwards.

Belting:—(Tariff equality)

Camel hair, cotton & canvas-ply.	
Cotton: 15 per cent. **ad valorem** duty on imported black-proofing should be abolished, and a duty of 5 per cent **ad valorem** be imposed on imported cotton belting.	Accepted. Act VII 1928.
Hair Belting: 15 per cent. import duty on black proofing to be abolished and duty on imported Camel Hair yarn should be reduced from 15 per cent. to 6 per cent., and **ad valorem** duty of 5 per cent. should be imposed on imported Hair belting.	Duty on imported Camel Hair yarn reduced to 5 per cent. Act VII of 1928.
Canvas-ply: Duty of 5 per cent. to be imposed **ad valorem** on imported canvas-ply belting.	Accepted. Act VII, 1928.

Matches

(1) Claim admitted.	
(2) Revenue duty of Rs. 1|8 per gross to be converted into protective duty, and that no limit be fixed for period of protection.	Accepted. Act XVII, 1928, Government, however, do not propose retention of duty at the high rate of Rs. 1-8 for any long period.
(3) Swedish Trust to take steps to register itself under the Indian Companies Act, under the control of local directorate with suitable Indian representatives on it.	Not expressed any opinion.

Oil

(1) Claim rejected by majority and minority.	Accepted.
(2) In the minority report Sir Padamji Ginvala suggested the opening of refineries in or near Bombay in order to break the existing monopoly which acted against the interests of consumers.	No opinion expressed.

Electric Wires and Cables:—(Tariff equality).

(1) Duty on electrotype copper rod, known as 'black rod' be removed.	Not taken into consideration.
(2) Duty of 5 per cent. be levied on rubber insulated electrical wires and cables other than those specified in Article 90 A (Tariff).	Accepted. Indian Tariff Amendment Act 1929 (IV of 1929).

Printing Type: (Tariff equality). A Specific duty of one anna per pound should be levied on printing type.	Accepted. Indian Tariff Amendment Act 1929 (Act IV of 1929).
Manilla Rope: (Tariff equality). Duty on Manilla Rope should be removed.	Suggestion approved by Government of India (Resolution. 38-T (9), dated 8th June 1929). Will be given effect to when financial conderations permit.

Minutes of the Interview of the Committee with the Hon'ble Sir George Rainy on 13th December 1929.

The following questions were discussed:

(1). **Appointment of Indian Trade Commissioners abroad:** The Hon. Sir George Rainy informed the Committee that Government proposed to appoint three Trade Commissioners to begin with and then increase the number by another three next year. He also added that Government would generally appoint Indians as Trade Commissioners.

(2). **International Convention re: Trade Barriers and Tariff Holiday:** Sir George Rainy informed the Committee that Government did not propose to ratify the convention and as regards the Tariff Holiday Government had refused to be represented at the Conference as they could not subscribe to that object.

(3). **Employment of Cadets of I. M. M. T. S. "Duffein":** He assured the Committee that Government would use their good offices in seeing that the successful candidates were suitably employed.

(4). **Publication of the report of the Tariff Board re: Chemical Industry:—**

He informed the Committee that Government expected to be able to publish the Report in January 1930.

(5). **Revision of the Railways Act:**

He informed the Committee that the suggestions received by the Railway Rates Advisory Committee and their subsequent recommen-

dations will be considered by Government and perhaps they may appoint a Committee to consider the matter.

(6). **Capital Expenditure on Railways:**

Sir George Rainy did not think that the capital expenditure on Railways stood in the way of development of trade and industries.

(7). **Admission of Indians to the Baltic Exchange:**

He assured the Committee that Government will always be prepared to do what they can in seeing that Indians were not subjected to any such indignities.

(8). **Mr. Hardy's Report re: Textile Industry:**

He informed the Committee that Government have had no time to consider the matter.

(9). **Insurance Legislation:**

He informed the Committee that the matter was under consideration and the Report of the Departmental Committee was being awaited.

(10). **All India Accountancy Board:**

He said that the necessary legislation would be introduced at the forthcoming session of the Legislature.

The Meeting then terminated.

APPENDIX LXXV.

INTERVIEW WITH MR. H. A. F. LINDSAY, INDIAN TRADE COMMISSIONER IN LONDON.

A Special Meeting of the Committee was held on Friday, the 29th November 1929 at 12 noon (S. T.), to meet Mr. H. A. F. Lindsay, Indian Trade Commissioner in London, when the following points were considered:—

The Committee referred to the communication they had addressed to the Government of India on the subject of appointment of Indian Trade Commissioners in all the important world centres. They urged that Government should forthwith proceed to appoint Trade Commissioners in all the six places mentioned by the Committee in their com-

munication and reiterated their strong feeling in the matter that Indians and Indians alone should be appointed as Trade Commissioners.

Mr. Lindsay observed that Government proposed appointing two Trade Commissioners yearly so that in three years' time there would be six Trade Commissioners appointed. Government were unable to appoint all the six Commissioners at once as it would not be practicable to give all the six the necessary training in the same year. He also put in the plea of want of finance for making all the appointments the same year.

2. The Committee next referred to the handicaps and humiliation to which Indian merchants in the United Kingdom and elsewhere were subjected to in the matter of their being refused admission to Commercial Associations and Sales Rooms. The Committee expressed the hope that the Indian Trade Commissioner would continue to exert his best in seeing these injustices removed. Mr. Lindsay promised that he would always do his best, as he had been doing in the past, to secure equal treatment for Indian merchants in the United Kingdom.

The Committee also expressed the hope that efforts would be made to popularise Indian products in the United Kingdom.

The Meeting then terminated.

APPENDIX LXXVI.
REPORT OF THE INDIAN TRADE MISSION.

No. 394, dated 18th February 1929, from Chamber to Government of India, Commerce Department.

I am directed by the Committee of this Chamber to submit their views regarding the various recommendations of the Indian Trade Mission as under:—

My Committee strongly support the recommendation of the Trade Mission re: the proposal to appoint Trade Commissioners at Alexandria, Mombasa and Durban to look after the various trade interests of India, and are of opinion that such Trade Commissioners should, in all cases, be Indians. Such Trade Commissioners will be a great help to Indian trade and industries and the commercial community has been putting forward a demand for them since a long

time. My Committee hope Government will be now pleased to accept this recommendation.

My Committee have also considered the recommendation of the Mission re: the establishment of a combined bleaching, dyeing, and printing plant in Bombay to manufacture suitable printed and dyed goods to serve the needs of the Near East and African markets. They approve of this proposal, but in case it is not found feasible to establish such a comprehensive plant, they would urge that at least a fully equipped central printing factory should be established in Bombay. They feel sure that the millowners, if approached by Government, will co-operate in carrying out the scheme successfully. Government cannot be unaware of the strong support given by the Tariff Board (Textile Industry Enquiry) to this proposal: "A large factory for combined printing, bleaching and dyeing should be established in or near Bombay. . . . . (para 82 of the Report).

The attention of my Committee, while considering the above report, was drawn to the basis of import duty in vogue, in East Africa and Iraq. In those countries the import duty is based on weight. This, my Committee think, adversely affects the imports of Indian piece-goods there, the bulk of which is coarse and, as such, has to pay much higher duty than fancy and other finer goods coming from other countries. The duty should, therefore, be based on an **ad valorem** basis. They, therefore, request Government to be pleased to move in the matter without any delay.

The recommendation of the Mission re: the desirability of the Millowners organising a powerful export sales organisation to deal with the export trade in cotton piece-goods and yarn meets with the approval of my Committee. They would suggest, in this connection, that samples of Indian piece-goods of different qualities and varieties should be kept for inspection at the different trade centres, because at present in the absence of such facilitis it is not possible for merchants who deal in Indian piece-goods in the overseas markets to push Indian goods there.

In conclusion, my Committee hope that Government will be pleased to give effect as soon as possible to the above suggestions of theirs at an early date.

APPENDIX LXXVII.

APPOINTMENT OF INDIAN TRADE COMMISSIONERS ABROAD.

No. 2294, dated 17th October 1929, from Chamber to the Government of India, Commerce Department.

The Committee of the Indian Merchants' Chamber understand from their representative on the Legislative Assembly, Sir Purshotamdas Thakurdas, that the Commerce Department have now completed a scheme regarding the appointment of Indian Trade Commissioners in various parts of the world, where the connection of India with the commerce of the country concerned requires it. Although the full details of Government's intentions in this matter are not completely available to my Committee, they think it necessary to say that the Committee of this Chamber feel that Government have taken too long a time over this question already, and they trust that Government will be able to have at least half a dozen Trade Commissioners in the various centres by next year. Some reports have it that the intention of the Government is to start with one or two of these appointments next year and work up to the number of five or six within the next five years. I am directed by my Committee to convey to Government the confirmed opinion of my Committee that any such insignificant beginning would not satisfy the Indian commercial community; and further that under the plea of financial stringency the Government would not be justified in putting off such an important source of assistance to Indians trading in various countries any more. The Committee of my Chamber would be glad to know the decision of Government in this connection as early as possible.

My Committee further wish to say that they regard it as very necessary that the Trade Commissioners representing India in every country must be Indians only, and if it be the intention of Government to appoint non-Indians, my Committee feel that the Indian commercial community would rather go without Trade Commissioners then have India represented in foreign countries in commercial matters by a personnel other than Indian.

No. 1509-C, dated 5th November 1929, from Government of India to Chamber.

I am directed to acknowledge the receipt of your letter No. 2294, dated the 17th October 1929, on the above subject, and

to say that the views of your Chamber are noted by the Government of India.

N. 69, dated 15th January 1930, from Chamber to the Government of India, Commerce Department.

When the Hon'ble Member for Commerce recently visited the Committee of this Chamber he asked them to let him know their views as to whether the Trade Commissioner to be appointed in South Africa should be an Indian or an European, and also as to whether how many of the three Trade Commissioners to be appointed in the first year should be appointed in Africa and what number to be appointed in Europe and America. My Committee have considered both these questions and direct me to inform you hereby their views.

In the first place, my Committee are strongly of opinion that only non-official Indians with business experience should be appointed as Trade Commissioners. They are afraid that even Indians who may be already in Government service and who may not have business experience will not be able to satisfy the expectations of the business community which has been pressing so long for the appointment of Trade Commissioners.

My Committee are also of opinion that even in South Africa an Indian should be appointed as Trade Commissioner. Looking to the success which the Rt. Hon. Srinivasa Sastri, and later on, Sir K. V. Reddi have achieved as Agents of Government in South Africa, my Committee are convinced that an Indian Trade Commissioner will be much more able to carry on his work to the satisfaction of this country than a non-Indian. It is not desirable that such responsible posts in foreign countries should be held by non-Indians as it goes to destroy the prestige and self-respect of India.

It is the opinion of my Committee that in the first year one Trade Commissioner should be appointed at Hamburg, one in East Africa and one in South Africa.

No. 1527-C (18), dated 20th February 1930, from the Government of India, Commerce Department to Chamber.

Subject:—Scheme for the appointment of Indian Trade Commissioners.

Sir,

I am directed to refer to your letter No. 69, dated the 15th January 1930, on the above subject, and to say that the views of your Chamber have been noted.

APPENDIX LXXVIII

LIQUIDATION PROCEEDINGS AND WINDING UP OF COMPANIES IN INDIA.

No 301, dated 7th February 1929, from Chamber to Government of India, Commerce Department.

I am directed to bring to the attention of Government the position that exists at present under the Indian Companies' Act with regard to Joint Stock Companies in liquidation.

Under the present conditions what actually happen is that even in cases where grave irregularities and even misappropriations exist, if there are no funds in the hands of the Official Liquidator and no creditor or shareholder comes forward to deposit or guarantee costs, no action is taken against supposed culprits. Under the English Act which was passed in 1928 with a view to amend the Companies' (Consolidation) Acts of 1908 to 1927, a special Section No. 77 is incorporated wherein a provision is now made for prosecuting past or present directors, managers and other officers or members of the Company in compulsory or supervision winding up, who are guilty of any offence in relation to the Company for which they are criminally liable, on application of any person interested in the winding up or by the Court of its own motion. In voluntary winding up also the Liquidator is empowered to report to the Director of Public Prosecutions if it appears to him in the course of the winding up that any of the officers and members are guilty of any criminal offence in relation to the Company. My Committee are of opinion that a similar provision should be inserted in the Indian Companies' Act, and that considering the special conditions prevalent here, viz: that Company enterprise in India has not developed to the extent it has in England, the Liquidator and the Court should have even greater powers. My Committee further suggest that it should also be provided that in case of an application to the Court from any person interested in

the winding up, to the effect that any officer or member is guilty of any offence in relation to the Company, the Court should be empowered, where a prima facie case is made out, to instruct the Official Liquidator to investigate the question and report to it. In case the Official Liquidator's report in such a case bears on these facts, the Court should have power to set in motion the Public Prosecutor to prosecute the offender.

My Committee submit that this question may be taken in hand at an early date, though Government may be contemplating to bring up the question of a more exhaustive amendment to our Companies' Act, following that of the Consolidation of the English Act of last year. Besides, the post of Official Liquidator or Receiver in most of the Courts in India being now a permanent salaried appointment (even in Bombay we are expecting to get a salaried officer in that office), the provision such as the one suggested, in the opinion of my Committee, it will not difficult to give effect to.

No. 103-T. M. dated 26th February 1929, from the Government of India to Chamber.

I am directed to acknowledge the receipt of your letter No. 301, dated the 7th February 1929, on the above subject, and to say that the views of the Chamber have been noted.

No. 1231, dated 4th June 1929, from the Chamber to Government of India, Commerce Department.

With reference to the correspondence ending with your letter No. 103-T.M., dated the 26th February 1929, on the above subject, I am directed by my Committee to give below a concrete instance which go to prove the urgent necessity of amending the Indian Companies' Act in the direction suggested by them.

In the issue of the "Times of India" dated 29th May 1929 a case is reported of the Bengal National Bank in which the Liquidator in his report to the Court brought to the notice of the latter certain defalcations by the Directors and Auditors and asked for directions. A cutting of the same is sent herewith for easy reference.

Government will realise from the above that the Court was helpless to take action in the matter because the Liquidator had no funds. The learned Judge remarked that the matter was one which

called for serious consideration on the part of those charged with the administration of criminal justice. My Committee have no doubt that this is not the solitary instance in which necessary action to bring to book the delinquent directors and other officers of companies is not possible due to insufficient financial resources of the liquidators. They, therefore, take this opportunity of again emphasising the urgent necessity of amending the Indian Companies Act as indicated in their previous communication, and hope that Government will be pleased to move in the matter as early as possible.

Cutting from the Times of India referred to above.

On an application by the liquidators of the Bengal National Bank, on the strength of a report charging the directors and auditors of the Bank with issuing false balance sheets, Mr. Justice Buckland directed that the report be placed before the Police Commissioner or other authorities charged with the prosecution of offenders against the law for considering whether or not proceedings should be undertaken at public expense against any person or persons implicated in the report.

His Lordship said he could not direct prosecution of such alleged offenders himself because the liquidators had no money to conduct the prosecution and creditors would not put money into the hands of liquidators without giving direction for prosecution. The Judge held that this was a matter which called for serious consideration on the part of those charged with the administration of criminal justice.

No. 60-T (37), dated 11th June 1929, from the Government of India, Commerce Department, to Chamber.

I am directed to acknowledge, with thanks, the receipt of your letter No. T-1231, dated the 4th June 1929, the contents of which have been noted.

APPENDIX LXXIX.

CONTROL OF FOREIGN MATCH COMPANIES WORKING IN INDIA.

No. 392, dated 18th February 1929, from the Chamber to Government of India, Commerce Department.

I am directed by the Committee of this Chamber to address Government regarding the recommendations of the Tariff Board

(Match Industry Enquiry) re: the desirability of registration and control of foreign match companies working in India.

My Committee would particularly point out the case of the Swedish Match Trust which, so far as they understand, has not been registered under the Indian Companies' Act. I am, therefore, directed by them to request Government to be pleased to see that all foreign match companies working in India are registered as per recommendations of the Indian Tariff Board at an early date.

No. 235-T (25) dated 25th March 1929, from Government of India to Chamber.

I am directed to refer to your letter No. 392, dated the 18th February 1929, on the subject noted above and to say that this Department would be glad to have its attention drawn to the provisions of the law under which it is suggested by your Chamber that action should be taken to ensure the registration under the Indian Companies' Act of all foreign Match Companies working in India.

No. 964, dated 30th April 1929, from Chamber to Government of India.

I am directed to acknowledge receipt of your letter No. 235-T (25), dated the 25th March 1929.

The Tariff Board in their summary of findings and proposals, while they thought that in the present circumstances no action was called for against the Swedish Match Company on the ground of unfair competition, recommended that taking into account the vast resources of the Company and the policy pursued by them in other countries it was necessary that future developments of the Company in India should be watched. They also considered that if the Industry was declared protected the Swedish Match Company should take steps at the earliest opportunity to organise its business in India on the basis of an Indian Company under the control of a local directorate with suitable Indian representation on it. The Government of India accepted the finding of the Board that in the present circumstances no action was called for against the Swedish Match Company on the ground of unfair competition. However, in regard to the recommendation of the Board regarding steps to be taken by Government to safeguard the Industry, they considered that if it ap-

peared probable that the Swedish Match Company would obtain a monopoly of the manufacture and sale of matches in India, it would create a new situation which would necessitate a re-examination of the position. To meet such an eventuality there was the recommendation of the Board that the Swedish Match Company should be organised on the basis of an Indian Company, and my Committee thought that the Government of India must have considered the suggestion and formulated certain conclusions. Unfortunately, this has not been done, and instead my Committee themselves are asked as to under what provisions of the Law it is suggested that action should be taken to ensure registration under the Companies Act of foreign match companies working in India. The Minority report of the Fiscal Commission very well pointed out in paragraph 51 the following conditions under which foreign enterprise should be allowed to start industries in India:

(1) Such companies should be incorporated and registered in India in Rupee capital;

(2) There should be a reasonable proportion of Indian directors on the Board;

and

(3) Reasonable facilities should be offered for the training of Indians as apprentices.

The Government of India themselves have laid down these conditions under a free-trade policy in regard to all companies which enjoy concessions. The Majority Report also made recommendations on the lines that where the Indian Government was granting concessions or where the Indian taxpayer's money was being devoted to the stimu ation of enterprise it was reasonable that special stress should be laid on the Indian character of the companies thus favoured. This policy has been accepted by the Government of India. During the debate in the Legislative Assembly on 2nd March 1922 on the Resolution moved by Sir Vithaldas Thakersey recommending that measures should be taken to provide as large an amount as possible of the Rs. 150 crores set aside for the rehabilitation of railways during the next five years should be spent in India, the Hon'ble Mr. (now Sir) Atul Chatterjee, on behalf of Government said:

"The settled policy of the Government of India, as I think we have mentioned more than once in this Assembly, is that no concession should be given to any firms in regard to industries in India, unless such firms have a rupee capital, unless such firms have a proportion, at any rate, of Indian directors and unless such firms allow facilities for Indian apprentices to be trained in their works. This has been mentioned more than once, and I can only repeat this declaration."

It recently came out in replies given to interpellations put by Mr. M. S. Sesha Iyengar in the Assembly that certain concessions in rates were given by the G. I. P. Railway to the Swedish Match Company. If my Committee are rightly informed they have also been given concessions with regard to certain forest areas. Apart from all these circumstances, however, the very fact that the revenue duty of Rs. 1|8 for matches has been converted into a protective duty means that a definite and regular concession is given to the said Company. As the Minority report stated: "There is in our opinion no distinction between direct concessions and the right to establish industries within the tariff wall."

Under these circumstances, there is no reason why the Swedish Match Company should not be asked to get itself registered in this country. The Government of India can well be guided by their legal experts as to under what section or sections of the Companies Act they can ask foreign manufacturing companies to get themselves registered in this country. If there is no specific section on that behalf, my Committee would suggest, considering the importance of the subject, its amendment so that cases like the one subject of correspondence are included. What my Committee are anxious about is that recommendations made by both the Majority and Minority reports of the Indian Fiscal Commission and the policy accepted by the Government of India themselves should now be acted upon.

No. 235-T(25) dated 14th September 1929, from Government of India to Chamber.

With reference to your letter No. 964, dated the 30th April 1929, on the subject noted above, I am directed to forward, for information,

a copy of a question asked by Dr. B. S. Moonje in the Legislative Assembly on the 2nd September 1929 and the answer given thereto.

Dr. B. S. Moonje:—(a) Will Government be pleased to state how many registered match companies there are in India and how many of them are Indian and how many non-Indian?

(b) Is it a fact that the Swedish Match Company is not registered in India and yet special concessions have been given to the Company by the Railway Companies and the Forest Departments, and if so, will Government please state in detail the nature of concessions given?

(c) Is it also a fact that a further concession has been made to the Swedish Match Company in that the revenue duty of Rs. 1|8|0 for matches has been converted into a protective duty?

(d) If the replies to parts (b) and (c) are in the affirmative, will Government be pleased to state the reasons for making such concessions to a foreign non-Indian non-British Company?

(e) Have similar concessions been given to the Indian Companies, and if not, do Government propose to give similar concessions to them in the interests of the promotion of Indian industries?

LEGISLATIVE ASSEMBLY.

Starred question, Serial No. 21 in Admitted List No. 6-A by Dr. B. S. Moonje, regarding concessions granted to the Swedish Match Company.

The Hon'ble Sir George Rainy:—

(a) There are thirty match companies in India and all are registered Indian Companies.

(b) and (e) Since the Hon'ble Member gave notice of his question, the Swedish Match Company has been registered in India as the Western India Match Company with rupee capital and Indian Directors. No distinction is drawn between the Western Indian Match Company and other Indian Companies in regard to the grant of special rates by the Railways or of forest concessions by local Governments.

(c) The revenue duty previously levied on imported matches has been converted into a protective duty. The benefit of this duty is enjoyed by all match manufacturers in India without distinction.

(d) Does not arise.

No. 2576, dated 14th November 1928, from Chamber to Government of India, Commerce Department.

I am directed by my Committee to address Government regarding the objectional and detrimental activities recently started by the Swedish Match Manufacturing Company, Limited.

My Committee understand that the said Company has of late started the price war in order to ruin the Indian Match factories. While expressing their views regarding the Government Resolution on the Tariff Board's Report on the Match Industry, my Committee had urged that the Swedish Match Trust must be made to conform to the recommendations made by the Tariff Board regarding the Indianisation of capital and control. Government, at that time, did not fully realise the necessity of such a provision sufficiently. The Swedish Match Trust has now resorted to price-cutting policy here, while it discreetly refrained from such tactics when the Tariff Board was making enquiries in the question. The figure of prices given below will clearly bring out the point my Committee have in view:—

Before the Enquiry. (per gross.)	After the Enquiry. (per gross)
Ambarnath Rs. 1|5 to Rs. 1|5|6.	Rs. 1|4|- to Rs. 1|5|- in some of the principal cities, while Rs. 1|2|6 to Rs. 1|2|3 in up-country, Berar, etc., where Indian factory goods are sold.
Indian Factories:—	
A Class Rs. 1|4.	Rs. 1|2|-.
B Class Rs. 1|2|6.	Rs. 0|15|0 to Re. 1|-.

The Indian Match factories are naturally hard hit by such methods adopted by the Swedish Trust to coerce them. My Committee are strongly of opinion that Government should devise means to check such activities of the Trust. If no precautionary measures are now

taken by Government at the start, the Indian Match Industry is in danger of being wiped out of existence.

My Committee, therefore, request Government to be pleased to institute an immediate Enquiry into the whole matter and devise suitable means to check the growing evil, as may, on enquiry, be found necessary and efficacious.

No. 235-T (25) dated 11th February 1929, from Government of India to Chamber.

With reference to your letter No. 2576, dated the 14th November 1928, and subsequent reminder of the 4th February 1929, I am directed to refer you to the reply given by the Hon'ble Sir George Rainy in the Legislative Assembly to Mr. M. S. Sesha Ayyangar's question on the above subject, on the 28th January 1929. (Copy enclosed).

***Mr. M. S. Sesha Ayyangar:** (a) Has the attention of the Government been drawn to the fact, that the Swedish Trust Syndicate (Match) has again taken to their old methods of price-cutting, selling at a price, which is below their cost price, with a view of ruining the Indian Match Factory?

(b) If so, do the Government propose to take any immediate and effective steps towards regulating the activities of this powerful trust and thereby protecting the Indian Industry?

(c) Is it a fact that the G. I. P. Railway is granting special concessions to the Swedish Syndicate in the transport of their materials, to the great discomfiture of the Indian industry?

(d) If so, are Government prepared to stop this course of conduct or extend the concessions to the Indian match industry also?

Reply by the Hon'ble Sir George Rainy, K.C.I.E., C.S.I., I.C.S.

(a) The Government of India have received a representation on the subject.

(b) The Government of India are carefully watching the progress of the Indian industry and are collecting information to this end.

(c) and (d) The Railway Board understand that the G. I. P. Railway quote special station to station rates for safety matches both from Kurla, where an Indian match factory is situated, and from Ambernath, the location of the works of the Western India Match Company, which they believe to be under the control of the Swedish

Match Company; but that all the station to station rates from Ambernath have not been made applicable to Kurla. They are taking up the matter with the Agent of the G. I. P. Railway.

APPENDIX LXXX.

PROSPECTUS OF THE WESTERN INDIA MATCH CO.

No. 1932 dated 29th August 1929, from Chamber to the Swedish Match Co., Managing Agent, Western India Match Co., Ltd.

The attention of my Committee has been drawn to the prospectus which you published on the 1st instant inviting the public to take shares in your company and the correspondence which has appeared in the press in reference thereto. My Committee have had some independent enquiries made, and they find that the requirements of law as to the filing of the prospectus and the particulars it should contain have not been observed. Irrespective of this, the public have serious cause of complaint at the manner in which relevant and material information which alone could enable them to decide whether they should be interested in the undertaking has been withheld from the prospectus. Factories which are not to be taken over by the company are specified, while factories in which the company is intersted are not specified, nor is it stated what their capacity is, what they have cost, and what their estimated earning is. No particulars or reasons are given for saying that a reasonable return on the capital is assured. The abridged balance sheet which forms part of the prospectus shows capital and liabilities at Rs. 70,37,186|-, and yet it is stated that the proposed issue of capital (Rs. 53 lacs) will be used towards reduction of the company's floating liabilities. This requires elucidation. The terms on which the Swedish Match Co., are to act as the Managing Agents of the Company are not stated. It is not stated what the company has paid up to now to the Swedish Match Co., for "the full benefit of their experienced management and scientific and technical knowledge". Not a single particular as to promoters' and directors' interests in the company has been disclosed. While there is no reference in the prospectus to any material contract either with the Swedish Match Co., or any other person who may be in the position of a promoter, even inspection of the memorandum and articles of association of the com-

pany has not been offered to the intending applicants for shares. By first registering the company as a private company, running it for some years as a private company, then by a resolution converting the private company into a public company, and thereafter offering a new issue of shares to the public, it may be possible to evade provisions of law which lay down the minimum information a prospectus should contain, but experienced company promoters like the Swedish Match Co., must also know that the one certain effect of such an expedient is to keep away every **bona fide** invester from the undertaking.

30th August 1929, from the Western India Match Co., to Chamber.

We have to acknowledge receipt of your letter of the 29th instant and in reply have to inform you that we have been advised by our Solicitors that the requirements of law have been complied with. Your letter will however be put before our Board on the return of our Chairman from Europe.

Copy of a letter dated 19th September 1929 addressed by the Western India Match Co., Ltd., to an applicant for Stores in the Company.

The attention of the Company having been drawn to certain technical defects in the advertisements published in various newspapers in India, inviting the public to subscribe for Ordinary Shares of the above Company. It has been decided in order to avoid any possible question, not to allot shares in respect of the applications received in response to such advertisements.

The Managing Agents have decided to pay out of their funds interest on the amount of your application money at the rate of 6 per cent. per annum from the date when such application money was received up to 21st instant together with estimated bank charges. We therefore enclose herewith a cheque for Rs. 25-2-11 made up as follow:—

Application money received	Rs. 25-0-0
Interest from 9th August to 21st September 1929	Rs. 0-2-11
Estimated Bank charges.	
.. ..	Rs. 25-2-11

We enclose herewith a receipt which please sign and return in the stamped addressed envelope sent herewith.

APPENDIX LXXXI.

PROCEEDINGS OF THE ADVISORY COMMITTEES OF THE COMMERCE AND INDUSTRIES DEPARTMENT OF THE GOVERNMENT OF INDIA.

D. O. No. 2037 dated 9th September 1929, from the Secretary of the Chamber to Sir Purshotamdas Thakurdas, representative of the Chamber in the Legislative Assembly.

I am enclosing herewith a copy of a letter from Mr. Sarabhai Prataprai. The letter was placed before the Committee and I am directed to request you to move in the matter and to take steps to get the proceedings of the Advisory Committee to the Commerce and Industries Departments published just in the same way as the proceedings of the Standing Finance Committee and the Standing Railway Finance Committee are published.

Copy of a letter dated 9th August 1929, from Mr. Sarabhai Prataprai to Chamber.

I shall feel obliged if you will kindly place the following before the Committee for consideration:—

With regard to the Proceedings of the Advisory Committees to the Commerce and Industries Departments of the Government of India may I request the Committee to suggest to our representative that he, at least, may be allowed to have an inspection of the Proceedings and acquaint himself for our guidance of the subjects discussed, nature of the recommendations made by those Committees and action, if any, taken thereon by the Departments concerned.

Our representative may also be requested to have an inspection, and, if possible, copies of the agreements, contracts and lease made and entered into with foreign firms who might have been given special privileges and liberties to exploit raw products and basic materials of India for further manufacture thereof, mainly for their use and benefit.

APPENDIX LXXXII.

COMMERCIAL TREATIES WITH FOREIGN POWERS.

No. 2057 dated 9th September 1929, from Chamber to the Government of India, Commerce Department.

I am directed by the Committee of this Chamber to write to you in the above matter as follows:—

Government before entering into commercial treaties have not so far thought it necessary to consult the commercial interests and to give them an opportunity to express their views in the matter. Such a procedure, my Committee would urge, would give the commercial community an opportunity to raise their objection, if any, to particular treaties which may affect certain interests adversely. There are treaties under which what is known as the "favoured nation treatment" is accorded to some nations and also some privileges. It would be interesting for the commercial community to consider such provisions beforehand and they would be in a position to make suggestions to Government in the interests of trade and industries.

My Committee would, therefore, urge upon Government the necessity of eliciting the views of the Federation of Indian Chambers of Commerce on any such commercial treaties before they are actually entered into.

No. 114 (7) T. and E. dated 25th November 1929, from Government of India to Chamber.

In reply to your letter No. 2057, dated the 9th September 1929, on the above subject, I am directed to say that India possesses a single tariff, imposed primarily for revenue purposes, which does not readily admit of bargaining with other countries for the exchange of special privileges. The scope of the commercial treaties to which India is a party is, therefore, generally confined to the exchange of most-favoured-nation treatment in regard to which consultation with the commercial community is unnecessary. The question of treaty arrangements involving fiscal obligations was discussed in the Council of State on a Resolution moved by the Hon'ble Sir Maneckji Dadabhoy on the 22nd of March 1922 and your Chamber are invited to refer to the debate which then took place.

APPENDIX LXXXIII.

CUSTOMS PRACTICES AT VIRAMGAM AND JAMNAGAR.

No. 2024 dated 5th September 1929, from Chamber to Revenue Department, Jamnagar State.

The Committee of this Chamber have received a letter from a member of the Chamber informing them that importers of sugar through Bedi Bunder pay Customs duty three months after the goods have been cleared. Similarly at Viramgam the Customs duties are collected after three months on all imports through Bedi Bunder. My Committee will be much obliged if you will kind enough to let them know as to what is the exact practice with regard to the collection of duties at Bedi Bunder and Viramgam.

No. 828, dated 26th September, from the Huzur Private Secretary, Jamnagar to Chamber.

In reply to your letter No. 2024 dated the 5|6th instant, I write to ask you please to let me know the name of the gentleman who has given the information to your Chamber.

No. 2182 dated 3rd October 1929, from the Chamber to Revenue Officer, Jamnagar State.

I am directed to acknowledge receipt of your letter of the 26th September 1929, No. 828.

It is not the policy of the Committee of this Chamber to make public names of persons who may have given them certain information. The enquiry by my Committee is of a public nature and is not concerned with personalities.

It is hoped, therefore, that in view of the public nature of the enquiry you will be kind enough to send the information requested.

Copy of a letter dated 28th October 1929, from the Chamber to:

(1) The Central Board of Revenue.

(2) Collector of Customs, Bombay.

The Committee of this Chamber have received a letter from a member of the Chamber regarding the collection of Customs duties on imports of sugar at Viramgam and Bedi Bunder. An extract of the relevant portion is enclosed herewith. I am directed to request

you to kindly make enquiries and let my Committee know whether the information contained therein is correct.

No| 2369 date 28th October, from the Chamber to Revenue Officer, Jamnagar State.

The Committee of this Chamber have received a letter from a member of the Chamber, giving them certain information regarding collection of Customs duties on imports of sugar at Viramgam. An extracts of the relevant portion is herewith enclosed. I am directed by my Committee to enquire of you whether the information supplied, as contained in the enclosure, is correct.

Extract from a letter dated 15-10-1929 from a member of the Indian Merchants' Chamber, to the Chamber:—

In Bombay, the sugar trade gives an allowance of 3 lbs. per bag empties and this allowance is deducted in local invoices. In Karachi and Calcutta, there is no much trade allowance.

For the purpose of Customs Duty, however, no such allowance is counted and full Duty is charged as per original invoices, but at Bedi Bunder (Jamnagar) no original invoices, according to my information, are demanded and the Customs Duty is charged according to local invoices, which show 3 lbs. per bag less than the original invoice. This means that Jamnagar merchants have to pay less (at 3 lbs. per bag) and the consequent reduction in Duty comes to about 2 annas per bag. Bombay merchants, however, have to pay in full.

Last year, roughly, a million bags passed beyond Viramgam, and thus, the total amount lost to the Customs can be estimated at about 1 1|4 lakhs approximately. According to my information, this practice is still continued and I shall thank you to call the immediate attention of the Customs Department at Viramgam to enquire and stop this practice.

Secondly, sugar-candy (Khadi Sekher) and powdered sugar (Boora) produced from crystal sugar, pass through Viramgam via Kathiawar Ports in large quantities Duty-free on the plea of those being considered manufactured articles. There may be semblance of manufacture in Sugar-candy but I fail to understand where the manufacture comes in for Boora. I wonder, if grinding crystal sugar into powder and rebagging, can come within the definition of manufacture.

No. R. S. R. 6643 dated 30th October 1929, from the Collector of Customs, Bombay to Chamber.

In reply to your letter cited above, I have the honour to state that neither Bedi Bunder nor Viramgam are within my jurisdiction; I therefore suggest a reference to the Collector of Salt Revenue, Bombay, in the matter. I may state that I am already aware of the facts set forth in the letter of your member and I have reported them to higher authority.

No. D. Dis. No. 446—Cus. 11|29 dated 4th November 1929, from the Central Board of Revenue to Chamber.

I am directed to acknowledge the receipt of the letter quoted above and to say that the matter is receiving the attention of the Central Board of Revenue.

APPENDIX LXXXIV.

INTERVIEW WITH MR. A. H. LLOYD, MEMBER, CENTRAL BOARD OF REVENUE

A meeting of the Finance Sub-Committee was held on Friday, the 22nd November 1929 at 2-30 p.m. (S.T.) to meet Mr. A. H. Lloyd, C.I.E., I.C.S., Member, Central Board of Revenue, when the following members were present:—

1. Mr. L. R. Tairsee (President),
2. ,, Lalji Naranji,
3. ,, Manu Subedar,
4. ,, Chunilal B. Mehta,
5. ,, Behram N. Karanjia.

Mr. J. K. Mehta (Secretary).

Mr. Stewart, Collector of Customs, Bombay, was also present.

(1). Charging import duty for excess weight in Cotton Yarn bundles:

The Committee pointed out that the practice followed by the Customs authorities in assessing bales of cotton yarn on actual weight instead of on the marked weight was unfair, firstly because yarn was

a commodity which absorbed and retained lot of moisture, and second because it was sold in bundles on basis of weights marked thereon, the merchants thus not benefitting by the increase in weight if any. Mr. Lloyd pointed out that on inquiries he had found that in some cases the excess in weight had been due to extra length and observed that literally, under the tariff regulations they had to assess on actual weight and if it was contended that any relaxation should be made in the literal interpretation of the tariff, he would have to secure legislative sanction for the same. However, he promised to look into the matter.

2. The Sub-Committee sought information of Mr. Lloyd as to what steps the Central Board of Revenue proposed to take in the matter of the facilities allowed by the Customs authorities in Viramgam and Jamnagar to importers through those ports to which the Committee had drawn the attention of the Central Board of Revenue in a recent communication. The alleged practices were:—

(a). That duty on sugar was being collected at Jamnagar 3 months after and at Viramgam 6 months after the consignments had actually been cleared.

Mr. Lloyd promised to draw the attention to Government to this and to take steps to ensure that when any goods imported through these ports were brought to British territory it should be ascertained that duty had actually been paid on them.

(b). That an allowance of 3 lbs. per bag was made at the time of assessing duty on sugar bags.

Mr. Lloyd promised to make inquiries.

(c). That sugar candy was being allowed free of duty on the plea of being a manufactured article:—

Mr. Lloyd promised to go into the matter and said he had already asked his land-frontier office to send a full report in the matter.

(d). That Boora (powered sugar) was being allowed free of duty on the plea of being manufactured article:

Mr. Lloyd promised to make inquiries.

The meeting then terminated.

No. 60 Cus. 1|30 dated 28th March 1930, from the Central Board of Revenue to Chamber.

Copy letter R. Dis. No. 60-Cus-1|30, dated 28-3-30 from the Central Board of Revenue, New Delhi, to the Secretary, Indian Merchants' Chamber Bombay, re: Yarn—Import duty—Excess weights:—

I am directed to refer to the notes on the above subject which were handed to me by the Chairman of the Meeting of the Finance Sub-Committee of your Chamber which I attended during visit to Bombay in November last.

2. The Board has considered the matter in consultation with the Collector of Customs, Bombay, and, after a careful analysis of the results of weighments before and after the use of the stove test and of measurements on the wrap reel, it has found that an excess of weight which is mainly due to added moisture is normally shown by the coarser qualities of cotton grey yarns imported from Japan and China. It has therefore decided to authorise the Collector of Customs to ignore excesses found in check-weighment of such yarns up to 5 per cent, provided the Customs-officer is satisfied that the invoice weight represents the weight on the basis of which the yarn will, under existing trade practice, be sold in the Indian market.

APPENDIX LXXXV.

APPOINTMENT OF AN INDIAN AS AGENT TO THE GOVERNMENT OF INDIA IN TRINIDAD AND BRITISH WEST INDIES.

No. 47 dated 10th January 1929, from Chamber to Government of India, Department of Education, Health and Lands.

The Committe of this Chamber will feel obliged if you will kindly supply them with the following information at an early date:—

(1) The total population of Indians in Trinidad and British West Indies Islands, together with their occupation.

(2) The conditions of Indian agricultural and industrial labourers, petty traders, and others:

(3) Whether any Government Officer is stationed there to look after and safeguard their interests.

My Committee understand that a representation has been made by the Indians residing in those places to the Colonial Secretary of His Majesty's Government, emphasising the desirability of appointing an Indian to look after their interests. If this is a fact, they will be obliged if you will kindly supply them with a copy of this representation for their information.

No. 60 D. S. dated 12th January 1929, from Government of India to Chamber.

I am directed to acknowledge the receipt of your letter No. 47, dated the 10th January 1929, and to say that it is receiving attention.

No. 112 O. S. dated 6th February 1929, from Government of India to Chamber.

In continuation of this Department letter No. 60-Os., dated the 17th January 1929, I am directed to attach a memorandum giving such information on the three points mentioned in your letter of the 10th January 1929 as is available.

2. A representation was made to the Secretary of State for India by Indians resident in Trinidad for the appointment of a representative of the Government of India in that Colony. The representation merely asked for consideration of the following resolution:—

"WHEREAS the Indian Government, recognising that it is in the best interest of India to send Commissioners to the Colonies and Dominions, have recently sent the Right Honourable Srinivasa Sastri as Commissioner to South Africa, AND WHEREAS such appointment has gone a long way in ameliorating the conditions of Indians in South Africa.

BE IT RESOLVED that this gathering of Indians in public meeting assembled records its appreciation of such appointment by the Indian Government, and respectfully urges that a Commissioner be also appointed for Trinidad as it would be in the interest of Indians here".

Memorandum regarding Indians in Trinidad and British West Indies.

(1) and (2). The majority of Indians in the British West Indies are resident in Trinidad and Jamaica where, it is estimated there are about 145,000 of whom 127,000 reside in Trinidad. The number of Indians residing elsewhere in the West Indies is negligible. Particulars regarding the occupations of Indians in Trinidad and Jamaica are given in the following extracts from the latest annual reports of the Immigration Departments of the two colonies.

TRINIDAD.

11. **Occupation and Social life of Free Indians.** Their occupation is the same as the rest of the community. e.g., many are merchants of great wealth, and others are shopkeepers. Many of their descendants are professional men-doctors, barristers, school-masters, etc. Many are employed as clerks at remunerative salaries in the Government Service and throughout the Mercantile Community. About nine-tenths of the Dairies in the Island are run by them, especially those who originally emigrated from India.

They own and run approximately nine-tenths of the Motor Buses in the Island. One owner paid the sum of £337-16s-3d. in license fees.

A large section comprise proprietors, agricultural and otherwise; they are also daily becoming more prominent in the sporting life of the Colony as Cricketers, Footballers, Boxers, etc.

12. **Settlement of Free Indians on the Land.** The following table will show the amount of lands owned by East Indians, and the nature of the cultivation:—

Name of Cultivation.	Acreage under Cultivation. Rs. a. p.
Cocoa	.. 54,883 2 3
Rice	.. 9,330 2 0
Canes	.. 12,331 0 0
Corn	.. 4,184 0 0
Provisions	.. 3,718 0 0
Coffee	.. 1,079 2 0

Cocoanuts	..	3,523 3 7
Fruits	..	623 0 0
Peas	..	1,914 0 0
Limes	..	82 0 0
Mixed cultivation	..	8,082 3 5
Uncultivated	..	31 0 0
Total	..	99,783 0 15

In addition to the above 279 grants were issued to East Indians during the year. Of these 159 were for 910 acres 3 roods 37 perches for agricultural purposes and 120 grants were for 121 village lots.

The total amount received on account of these sales was £5,611-0s.-2 1|2d.

The largest sale of Crown lands to any single individual in the Colony since 1905, was made to an East Indian, who paid the sum of £880 for 220 acres.

* * * * *

JAMAICA.

XI. Occupations of Free Indians.

13. There are now approximately 17,494 Indians in the Colony, the majority of whom are employed in various manual occupations. Among these may be mentioned the following:—

Agicultural labourers, planters, mechanics, shopkeepers, market gardeners, traders, goldsmiths, cartmen, domestic servants and nurses. There are also a number of East Indian men and women who are employed as chauffeurs, clerks and typists.

* * * * *

XIII. SETTLEMENT OF INDIANS ON THE LAND.

15. A statement (not enclosed) kindly furnished by the Collector General is attached showing the value and extent of property owned by East Indian Immigrants in the Island * * * * * *. It is shown that land owned by East Indians consists of over 11,792 acres of the value of £80,857. The number of live stock owned by

East Indians was 1,824 valued at £16,875. They also own motor cars and motor trucks, shops and houses.

* * * * *

XVIII. GENERAL CONDITION OF THE FREE INDIANS.

22. **Emigration.** During the year 2 immigrants were granted passports to leave the Island. The small number of applications received was owing to the unfavourable labour conditions in Cuba.

23. **Land:** No grants of land in lieu of return passage to India under Section 53 of Law 23 of 1879 were made to immigrants during the year.

24. **Rice:** The Collector General has kindly furnished me with the following information showing the area of land under rice cultivation during the year. This does not include the cultivaton of tenants at will which are classed under the heading of mixed cultivation:—

Hanover	..	15 Acres.
Westmoreland	..	350 „
St. Catherine	..	20 „
	..	385 Acres.

25. **Licences:** Trade 241, Spirit 72, Petroleum 216, Gun 115, Total 644.

26. A large number of motor trucks and cars are owned by East Indians, but as some of them are licensed under English names, it is not possible to ascertain the exact number.

* * * * *

(3) No officer of the Government of India is stationed in the West Indies.

No. 345 dated 14th February 1929, from Chamber to the Government of India.

I am directed to acknowledge receipt of your letter No. 112-OS., dated 6th February 1929, together with the accompaniments containing detailed information regarding the above. In view of the

large number of Indians residing in those places, my Committee are of opinion that it is desirable to appoint an Indian as Agent to the Government of India there to look after the interests of Indians in those places. I am, therefore, directed by my Committee to request Government to be pleased to see that such an Agent is appointed at an early date.

No. 196 O. S. dated 2nd March 1929, from Government of India to Chamber.

I am directed to acknowledge the receipt of your letter No. 345, dated the 14th February 1929, and to say that the Government of India have noted the suggestion made by the Committee of your Chamber.

APPENDIX LXXXVI.

FORMATION OF A CENTRAL CINEMA BUREAU.

No. 7062|D dated 24th May 1929, from the Government of Bombay, General Department to Chamber.

I am directed to forward herewith a copy of a letter from the Government of India, No. I. 296, dated the 2nd February 1929 on the subject of the development of the Cinema Industry and to request that you will be so good as to obtain the views of your Chamber on the general question of the development of the Cinema Industry and to communicate them to Government at a very early date. I am in particular to request that Government may be favoured with the views of your Chamber on the points (a) the creation of a Central Bureau with an Advisory Committee under the control of the Government of India, and (b) in what ways it would be possible for the local Government to co-operate with the Government of India in maintaining a Central Bureau if established. I am to add that it would be appreciated if a reply to this reference could be furnished before the end of June.

Copy of a letter No. 1296 dated 2nd February 1929, from the Government of India, Department of Industries and Labour to the Government of Bombay, General Department.

I am directed to refer to the Report of the Indian Cinematograph Committee on which a reference has already been made to the

Local Government in the Government of India Home Department letter No. 2878|28-Poll, dated the 11th October 1928, with regard to the recommendations of the Committee relating to the censorship of films. I am now to address you on the recommendations of the Committee dealing with the subject of the development of the cinema industry in India.

2. The measures which, in the opinion of the Committee, are necessary for the development of the film-producing industry in India are discussed in Chapters III and IV of the Report and in the Minute of Dissent. The Committee are unanimous in their opinion that, if the trade and especially the film-producing industry are to develop on sound lines, it is essential that an independent agency should be brought into existence by Government to improve the technique and quality of the work of Indian producers and to supervise the whole organisation of the industry in India. For the reasons explained in paragraph 103 of their Report, the Committee recommend that the central organisation consisting of a Central Cinema Bureau with an Advisory Committee should be directly under the control of the Central Government. The composition and functions of the Central Bureau and the Advisory Committee are detailed in Chapter III of the Report which contains the key proposals of the Committee for the assistance of the cinema industry in India. The other recommendations of the Committee, such as the introduction of a quota system for Indian films, the grant of loans to producers, the grant of medals and certificates for best Indian productions, the grant of scholarships for learning the technique of the industry, the establishment of a Government studio and the registration of producers, exhibitors, renters, importers and distributors, are to a large extent dependent upon the acceptance of the main recommendation dealing with the establishment of central organisation for assistance, control and guidance. The Government of India are provisionally of opinion that the consideration of the secondary recommendations of the Committee and in particular, the proposals for direct financial aid and for the introduction of the quota system on which there has been some difference of opinion should await a proper examination of the position by the Central Bureau, if set up, after it has examined the questions

further in the light of experience as suggested in paragraph 21 of the Minority Report. For the present, I am to invite the opinion of the local Government on the central recommendation of the Committee, viz., the creation of a Central Bureau with an Advisory Committee under the control of the Government of India.

3. In paragraph 117 of their Report the Committee estimate that the recurring cost of the Bureau and the Advisory Committee will amount to Rs. 4 lakhs per annum rising to Rs. 5 lakhs as the work expands. No details have been given as to how the cost has been worked out, but presumably the model before the Committee was the Motion Picture Bureau of the Canadian Government, an account of which appears in Appendix J of the Report. The annual cost of this Bureau which maintains a fairly large technical staff is stated to be about 60,000 dol. (about Rs. 1,60,000) a year, and the initial cost of their upto-date plant about 50,000 dol. or 60,000 excluding the cost of the building in which it is housed. The proposals of the Committee would therefore appear to be much more expensive. This is, however, a matter of deail and a much closer estimate of the cost of the proposed Central Bureau and its Advisory Committee would have to be prepared if practical action is to be taken on this recommendation of the Committee. In the meantime, I am to invite a reference to paragraph 115 of the Report of the Committee and to enquire in what way and to what extent it would be possible for the local Government to co-operate with the Government of India in maintaining the Central Bureau, if established.

No. 1539 dated 11th July 1930, from Chamber to Government of Bombay.

With reference to your letter No. 7062|D, dated the 24th May 1929, I am directed by my Committee to inform you that they do not approve of the scheme referred to above as it stands. They are, however, considering in collaboration with the members of the Indian Cinema Industry, Bombay, some alternative constructive proposals in this connection. A further communication will be sent to Government in due course.

APPENDIX LXXXVII.

INCORRECT MARKING OF PIECEGOODS SENT FROM INDIA TO BAHREIN.

No. 855, dated 11th December 1928, from the Political Agent, Bahrein to Chamber.

At a meeting of the Manama Municipality in these islands on 5th December the question of the incorrect marking of piecegoods manufactured in India was raised. It was stated that lengths marked 39 yards were found on actual measurement to be 36 yards only.

The shortage caused considerable adverse comment as it was stated that cloth manufactured in Japan and Manchester was always of correct length.

The Indian trade through Bahrein is of considerable value but Japanese competition shows signs of increasing.

I have considered it advisable to bring this complaint to your notice as it is clearly inadvisable to give the Arab Merchants any excuse for comparing Indian goods unfavourably with Japanese.

No. 74, dated 23rd February 1929, from Political Agent, Bahrein to Chamber.

In continuation of my letter No. 855 dated the 11th December 1928, I forward, herewith, for your information a copy of the notification No. 21, dated the 28th Rajab 1347 (—9th January 1929) issued by the Bahrein Municipality in connection with the importation into Bahrein of piecegoods dyed or otherwise.

Translation of Notification No. 21|1347, dated the 28th Rajab 1347 (—9-1-29) issued by the Bahrein Municipality.

The following resolution passed by the Bahrein Municipality in their meeting held on Sunday the 25th Rajab 1347 (—6-1-29) is hereby notified for the information of the dealers in piecegoods:—

(1) Dealers in piecegoods are not allowed to import piecegoods, whether dyed or otherwise of shorter lengths than marked thereon.

(2) The above applies to both European and Indian cloth whether dyed or otherwise. It also applies to cloth imported in bales from India.

(3) The Bahrein merchants are warned against importing short lengths and are given two months time to communicate with their correspondents or agents abroad. After this the Customs' Director will have the right to inspect all cloths imported.

(4) The Director will have the right to detain the goods if found imported in contravention of these rules. On the receipt of such reports the Municipality will lodge a complaint with the Government for punishing the importer.

(5) The Municipality will have the right to search the shop of the merchant when it is reported to them that he sells short length cloths in contravention of the rules.

Note.—People are forbidden giving false reports to the Municipality. The Municipality will lodge a complaint to the Government against such a person and will have him punished properly for having told a lie and given false report.

No. 253, dated 2nd February 1929, from the Chamber to the Political Agent, Bahrein.

With reference to the correspondence, on the above subject, ending with my letter No. 67, dated the 10th January 1929, I am directed to express the thanks of my Committee to you for kindly drawing their attention to the same. My Committee, however, will feel obliged if you will be good enough to supply them with detailed information regarding the question at your early convenience, so as to enable them to fully consider the matter. Information, particularly as regards the class of goods, names of manufacturers and places of manufacture, and the names of the importers in this connection may kindly be supplied.

No. 304, dated 2nd April 1929, from Political Agent to Chamber.

I am in receipt of your letter No. 253 dated the 2nd February 1929, which caused me to ask the Secretary of the Manama Municipality and the local merchants for further particulars.

The names of local importers of piecegoods are shown in the accompanying list marked A. They have themselves supplied me with addressed envelopes showing the names of the merchants with whom they have dealings in Bombay. These names are given in list B, while the names of the mills are shown in list C.

The class of goods imported is:—

Dyed Chintz.
Dyed Koddi.
Black Malmal.
Red Malmal.
Suhali, country.
White drill.
Red drill.
Shushi country.
Shushi red lined.
Voil.

There have been several acrimonious discussions on this subject in the Manama Municipality. Some members alleged that the cloth was of correct length when issued from the mills, but it was tampered with on the instigation of the local traders who were anxious to secure greater profit for themselves.

This charge was of course denied and it was alleged that the cloth was issued to customers as received from the mills.

It was further alleged by some members that the white cloth was always of correct length, but that the coloured cloth was often of short lengths owing to shrinkage at the time of dying.

No actual bales of short length white cloth appear to have been produced before the Municipal Committee.

Th Secretary of the Municipality has now informed me that after receipt of my last enquiry he took the help of local cloth merchants and searched for cloth of short length but was unable to find any except 2 pieces of dyed cloth on which the names of the dyers Alarakhia Ismail P. O. No. 9 Bombay and Esaji Rehmanji Bombay 9 are printed. He states that though such cloth existed in the market before there is none to be found now. He claims that this fact is

due to the issue of a notice prohibiting the entry of short length cloth. He states that from this fact the Committee appointed to enquiry into the question surmise that the fault lay with the local merchants, who took cloth from the manufacturer in full lengths and asked the dyers to shorten them at the time of dying.

I would emphasise however that the above is merely surmise and that it is by no means established that any dyers in Bombay are guilty of malpractice.

If any further information comes to hand I will at once inform you. At present I consider that the Manama Municipality has failed to prove any case against either the local or the Bombay merchants and mills.

LIST A.

Names of local importers of piecegoods

Messrs. Dhamanmal Issardas, Bahrein.
„ Hafiz Khanbhai M. Abdulali, Bahrein.
„ Abdul Hamid Mohamed Sharif Awazi, Bahrein.
„ Mohsinbhai Mulla Abdulrasul, Bahrein.
„ Mohamed Jamal Khunji.
„ Jhamanmal Asanmal & Co., Bahrein.
„ Haji Mohamed Tayeb Khunji, Bahrein.
„ Yusuf Lutafally Khonji, Bahrein.
„ Abbasbhoy Hatimbhai, Bahrein.
„ Ebrahim Nonoo Nasim, Bahrein.
„ Abdur Rahim Khooheji.
„ Rashid bin Abdur Rahman Alkhan.

LIST B.

Names of the merchants in Bombay, with whom the Bahrein merchants have their dealings.

Messrs. Ali Haji Jamal Khunji, Paltan Road, Bombay.
„ Hasan Bin Abdulrahman Alkhan, Paltan Road, Bombay.
„ Mahmood bin Abdul Jabar Khooheji, Bhandare Street, Bombay.
„ Abbasbhoy Hatimbhai Bahreinwala, Bombay 3.

„ Yoosuf Dutafaally Khonji Mahboob Buildings, Paltan Road, A., Fort, Bombay.

„ Haji Mohamed Tahir Haji Mohamed Jaffar Khunji Mahboob Building, Paltan Road, Bombay.

„ Jahmanmal Asanmal & Co., Barbhai Moholla, Bombay 3.

„ Mohsinbhai Mulla Abdularasul, 37, Taher Building, Bombay 3.

„ Abdul Hamid Mohamed Sharif Awazi, P.O. No. 952, Bombay.

„ Hafiz Khanbhai M. Abdulali 190-92, Nagdevi Street, Bombay, 3.

„ Dhamanmal Isardas Pohuman Buildings, Bombay 3.

LIST C.

Names of Mills in India.

The Gujrat Cotton Mills Co., Ltd., Ahmedabad.
The Assur Veerjee Mills Ltd., Bombay.
The Bradbury Mills Ltd., Bombay.
The Kohinoor Mills Ltd., Bombay.
The Bharatkhand Cotton Mills, Bombay.
The Uunion Mills, Bombay.
The Wawan Mills Co., Bombay.
The Simplex Mills Co., Ltd., Bombay.
The Ruby Mills Ltd., Bombay.
The Dolataram Dyeing & Bleaching Mill, Bombay.
The Alliance Mills, Bombay.
The Rajkumar Mills Ltd., Indore.
The Victoria Mills Ltd., Bombay.
The Bombay Industrial Mills Co., Ltd., Bombay.
The Bombay Cotton Mills, Bombay.
The Saraswati Ginning and Manufacturing Co., Ltd., Bombay.
The Sassoon Spinning and Weaving Co., Ltd., Bombay.
The Tardeo Mill, Bombay.
The Tata Mill, Bombay.
The Jamshed Mill, Bombay.

The Swan Mill, Bombay.
The Spring Mill, Bombay.
The Century Mill, Bombay.

APPENDIX LXXXVIII.

RESTRICTION ON IMPORTS INTO INDIA OF COTTON SEEDS FOR COMMERCIAL PURPOSES.

No. 2100-A-20, dated 1st February 1929, from Government of Bombay, Revenue Department, to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to state that the importation of cotton seed into British India is at present prohibited except at eight prescribed ports, viz., Bombay, Calcutta, Dhanushkodi, Karachi, Madras, Nagpatam, Rangoon and Tuticorin, and then only after fumigation. It has been represented that the position is unsatisfactory as the existing notification might at any time be rendered inoperative by reason of the fact that no provision has been made for disinfecting cotton seed in commercial quantities. The risk of introducing a new cotton pest through imported cotton seed is by no means remote, if cotton seed is allowed to enter India uncontrolled. The major pests to be guarded against are the African red boll worm and the Mexican cotton boll weevil which cause serious ravages. It is therefore proposed to issue a notification purporting to restrict, under the Destructive Insects and Pests Act, 1914, the imports of cotton seed into British India to one port, viz., Bombay, where adequate arrangements will be made to fumigate the seed. I am to enclose for your information a copy of the draft notification on the subject and to request you to state whether your Chamber has any objection to its issue.

Draft Notification.

In exercise of the powers conferred by sub-section (1) of section 3 of the Destructive Insects and Pests Act, 1914 (II of 1914) the Governor General in Council is pleased to direct that the following further amendments shall be made in the order published with the

Notification of the Government of India in the Department of Revenue and Agriculture No. 580-240 dated the 22nd June 1922, namely:—

1. In sub-paragraph (i) of paragraph 1 of the said Order, for the word "Schedule" the words "first Schedule" shall be substituted.

2. For sub-paragraph 2 of paragraph 11 of the said order the following shall be substituted, namely:—

"(2) Cotton seed shall not be imported by sea save for experimental purposes by one of the officers named in the second Schedule appended hereto, and shall not be so imported by such officer save at the port of Bombay and in quantities not exceeding one hundred weight in any one consignment and on condition that it will be fumigated on importation with carbon bisulphide:

Provided that, if the cotton seed is accompanied by a certificate from a Government Entomologist of the country of origin to the effect that the seed and its container have been treated in such a way as to destroy all insect life, the seed shall be examined on importation by such officer as the Governor General in Council may appoint and shall not be required to be refumigated unless such examination shows that refumigation is necessary."

3. For the heading to the Schedule to the said Order, the heading "First Schedule" shall be substituted and after that Schedule the following Schedule shall be inserted, namely:—

Second Schedule

(Paragraph 11 (2))

The Director, Agricultural Research Institute, Pusa.

The Secretary, Indian Central Cotton Committee, 25, Wodehouse Road, Fort, Bombay.

The Director of Agriculture, Madras.

The Director of Agriculture, Bombay Presidency, Poona.

The Director of Agriculture, Punjab, Lahore.

The Director of Agriculture, United Provinces, Lucknow.

The Director of Agriculture, Central Provinces, Nagpur.

The Director of Agriculture, Bengal, Dacca.

The Director of Agriculture, Bihar and Orissa, Sabour.

The Director of Agriculture, Assam, Shillong.

The Director of Agriculture, Burma, Rangoon.

The Agricultural Officer, North-West Frontier Province, Peshawar.

The Director of the Institute of Plant Industry, Indore.

The Director of Agriculture, His Exalted Highness the Nizam's Dominions, Hyderabad.

The Director of Agriculture, Mysore State, Bangalore.

The Director of Agriculture, Baroda State, Baroda.

The Director of Agriculture, Gwalior State, Gwalior.'

No. 343, dated the 14th February 1929, from Chamber to Government of Bombay.

I am directed to acknowledge receipt of your letter No. 2100|A-23, dated 1st February 1929, on the above, and to observe that my Committee approve of the proposed measure to restrict imports of cotton seeds into India for commercial purposes. They would, however, like to know if it is also intended to restrict such importation through ports of Indian States.

No. 2100-A|28, dated 2nd March 1929, from Government of Bombay to Chamber.

With reference to your letter No. 343 dated 14th February 1929, I am directed by the Government of Bombay (Transferred Department) to state that the co-operation of maritime Indian States and foreign Governments is being invited in the matter by the Government of India.

APPENDIX LXXXIX.

EXAMINATION OF GOODS AT CUSTOM HOUSE.

No. 2035, dated 6th September, from the Chamber to the Collector of Customs.

The Committee of this Chamber have received the accompanying suggestion from a member of the Chamber on the above subject. They will be much obliged if you will kindly let them know your opinion with regard to the same, and also if it will be possible to put the suggestion in practice.

"The existing rule of the Custom Dept. requires that 10 per cent. of the imported quantity should be examined and weighed for the purpose of ascertaining the quantity to be assessed for duty. This rule may be allowed to operate for any consignment which consists only of 100 cases, or bags, or kegs as the case of the article may be, but in case the imported quantity exceeds (under the same B|Lading) 100, the rule should be modified and only 5 per cent. of the second lot should be examined instead of full 10 per cent. as at present. This notification will not inconvenience the Custom Dept. in the least and at the same time save a lot of unnecessary cooly and cartage charges which the importer has to incur in bringing the quantity to be examined from the shed where it is unloaded, to the place of examination which invariably is at a great distance. Also, it would materially save the unnecessary waste of time and energy of the Custom Department.

I would briefly illustrate the above by giving an instance of 500 bags Epson salt. The scale may be modified as under for 500 bags Epsom Salt, or similarly for any other article:—

If the B|L is for					100	bags only	10	p.c.	should be examined.			
"	"	"	"	"	200	"	5	"	additional	should	be	examined
"	"	"	"	"	300	"	4	"	"	"	"	"
"	"	"	"	"	400	"	3	"	"	"	"	"
"	"	"	"	"	500	"	3	"	"	"	"	"

Thus for every lot of 500 bags, the total quantity to be examined will be 25 bags as per the above sliding scale, instead of 50 bags as per the present flat scale. I would like to point out that this modification is quite essential, in as much as, in these days of depression, importers at times do not earn even what they spend on cartage etc."

R. S. R. No. 5596, dated 23rd September 1929, from the Collector of Customs, Bombay to Chamber.

In reply to the letter cited above, I have the honour to observe that your member who has made suggestions in connection with the scale of weighment of imported goods is not correct when he says that 10 per cent. of the packages are always weighed for the purpose of ascertaining quantity. The ordinary scale for the weighment of packages of uniform size and accompanied by proper documents is as follows:—

(a)	Cargo in bags, bales, baskets, bundles and trusses.	5 per cent. up to 500 or 1 whichever is higher; one per every additional 50 packages.
(b)	Cargo in barrels, cases, casks, crates, drums, kegs and jottas.	4 per cent. up to 100 or 1 whichever is higher; 1 per every additional 50 packages.

If the goods are not accompanied by proper documents the percentage is doubled.

Further, in cases in which homogenous goods from the same manufacturers are imported by the same importers, the percentage is reduced in special circumstances at the discretion of the Appraising Department.

It would thus be seen that the existing rules are in effect more liberal than those proposed by your member.

APPENDIX XC.

CHANGE IN BANKING HOURS.

No. 1538 dated 11th July 1929, from Chamber to (1) The Secretary, Imperial Bank of India and (2) The Secretary, Associated Exchange Banks.

The attention of the Committee of this Chamber has been drawn to the recent change in hours of work introduced by the Imperial Bank of India|Exchange Banks in the City.

The authorities of the Bank cannot be unaware of the consequent hardship and inconvenience caused to the Indian commercial community. In this connection your attention must also have been drawn to the joint representation made by several commercial bodies. My Committee will feel obliged if you will be good enough to let them know the reasons, if any, why such a departure from the long-established banking business hours was suddenly introduced without consulting the Indian commercial community.

No. S|115 dated 16th August 1929, from the Imperial Bank of India to Chamber.

With reference to your letter No. 1538 of the 11th July on the subject of the change in the working hours of this Bank, I am directed to inform you that various considerations are responsible for the decision of the Bank authorities to alter the Hours of Banking from 11-0 a.m. to 4-30 p.m., to 10-30 a.m. to 4 p.m. The latter hours are more in keeping with banking hours in other cities in India. Experience showed that 11 a.m. was too late an hour to fix as the opening hour and it appeared desirable to advance this time by at least half an hour. Moreover in view of certain alterations in Clearing House procedure introduced in 1928, the fact of our remaining open from 4-0 p.m. to 4-30 p.m. was found to be working to our disadvantage as compared with other Banks.

We note with regret that your Chamber consider that the change in hours has caused hardship and inconvenience to the Indian commercial community. This is possibly due to long continued custom and we venture to think that with experience of the new hours the advantages of closing earlier from the point of view of the staffs not only of Banks but of their constituents' offices also, will become apparent. Perhaps you are not aware that the Banking hours in Calcutta and Madras for all Banks are from 10 a.m. to 3 p.m. and these are the ordinary Banking hours in most other places in India.

The volume of work transacted by this Bank between the hours of 4 p.m. and 4-30 p.m. prior to the change recently made in Banking hours does not warrant your remark that hardship and inconvenience have resulted from their curtailment.

I may inform you that since the change was made not a single complaint has been received from any constituent of this office or our City offices regarding the alteration in our hours of business. It is not intended to make any further change.

Dated 26th July 1929, from the Associated Exchange Banks to Chamber.

With reference to your letter No. 1538 of 11th instant, my Association regrets that it cannot see its way to modify its recent resolution to alter its Banking hours.

I may say that the expressions of appreciation of the innovation have been manifest and greatly outweigh the objections lodged with us.

R. S. R. 4398 dated 20th July 1929, from the Collector of Customs to Chamber.

I have the honour to inform you that it has been suggested that in view of the decision of the Associated Exchange Banks to open for business at 10 a.m. that the Custom House should make a similar early start and that the hours of work should be from 10 a.m. to 5 p.m. on week days and from 10 a.m. to 1-30 p.m. on Saturdays. I should be glad to have your views on the proposal.

No. 1685 dated 30th July 1929, from the Chamber to Collector of Customs, Bombay.

With reference to your letter R. S. R. No. 4398, dated the 20th July 1929, on the above, I am directed by my Committee to inform you that the question of change in the business hours by the Imperial Bank of India and the Associated Exchange Banks in the City is still under their consideration. In view of that fact they are not, at present, in a position to express any opinion regarding the proposed change in the hours of work at the Custom House.

No. 4398 dated 5th December 1929, from the Collector of Customs to Chamber.

I have the honour to invite a reference to the correspondence ending with your letter cited above, to enquire whether any decision has been arrived at in regard to the change in the business hours by the

Imperial Bank of India, and the Associated Exchange Banks in the City, and to be.

No. 2802 dated 12th December 1929, from Chamber to the Collector of Customs.

With further reference to your letter No. R. S. R. 4398 of the 20th July 1929, my Committee are now informed that the Imperial Bank of India and the Exchange Banks do not intend to revert to the old hours of business.

Under the circumstances, they have no objection to the change proposed by you.

No. R. S. R. 4398 dated 20th February 1930, from Collector of Customs to Chamber.

I have the honour to refer to the correspondence ending with your letter cited above and to state that after careful consideration of the question of changing the business hours of the Custom House it has been proposed that in those department which have direct dealings with the public an earlier start should be made so that the Custom House is a going concern at 10-30 A.M. instead of at 11 A.M. as at present. The Preventive and the Appraising Departments of the Custom House start work precisely at 10-30 A.M. As regards other departments viz: Cash and Accounts, Import, Export, Coasting Trade Establishment, Bond and Drawback arrangements will be made effectively to man them so as to start work at 10-30 A.M. This earlier start will result in a consequent change in the time of receiving and making payments in the Cash Department and presentation of the Bills of Entry in the Accounts Department by half an hour as under:—

I. Cash Department.

	Week days.	Saturdays.
(i) Receiving money	up to 3 P. M.	up to 12-30 P.M.
(ii) Payment	up to 2-30 P. M.	up to 12 Noon.
(iii) Cheques on the Imperial Bank of India	up to 2 P. M.	up to 12 Noon.
(iv) Cheques on the other Banks	up to 1 P. M.	up to 11 A.M.

II. Accounts Department.

(i) Time up to which Bills of Entry, Shipping Bills would be received for debit in the same day accounts	Up to 3 P.M. (up to 12-30 P.M. on the last working day of a month).	Up to 12-30 P.M. (up to 11-30 A.M. if the last working day of a month).
(ii) Time up to which Bills of Entry, Shipping Bills etc., would be received for debit in the next day's accounts	up to 4 P.M.	up to 1 P.M.
(iii) Time up to which Bills of Entry for cash would be received for checking duty	up to 4 P.M.	up to 1 P.M.

2. The working hours of other Department of the Custom House will be as at present.

3. The Departments which will be called upon to commence work at 10-30 A.M. will be closed for business at 5 P.M.

4. This arrangement is in the first place experimental and its continuance will depend on the amount of advantage that is taken of it by the mercantile public. I should be obliged if you would inform me that the proposals are acceptable.

No. 4398 dated 24th February 1930, from Collector of Customs, Bombay, to Chamber.

In continuation of any letter above, I have the honour to inform you that the time up to which payment will be made in the Cash Department of the Custom House will continue as at present viz: up to 3 p. m. on week days and 12-30 p. m. on Saturdays, and will not be changed to 2-30 p. m. and 12 noon respectively as intimated in my letter quoted.

No. 431 dated 27th February 1930, from Chamber to the Collector of Customs.

I am directed to acknowledge the receipt of your letter of the 20th instant, and to say that in view of the fact that the changes pro-

posed are only experimental, my Committee have no objection to the same.

APPENDIX XCI.

IMPERIAL BANK AND ATTESTATION OF VERNACULAR SIGNATURES.

No. 2315 dated 21st October 1929, from Chamber to the Imperial Bank of India, Bombay.

The attention of my Committee has been drawn by a member of the Chamber to the fact that the Imperial Bank does not recognise signature of a Justice of the Peace for attestation to the vernacular signature of a lady. Ladies have to draw interest due on Government Pro-Notes from the Public Debt Department of the Imperial Bank and naturally they sign in their vernacular. The Superintendent, Public Accounts Department demands that such signatures should be attested by a Magistrate under his Court Seal or by two witnesses known to the Bank. My Committee are surprised that Justices of Peace one of whose main functions is to attest signatures should not be recognised by the Imperial Bank. Such a rule inflicts needless inconvenience to ladies who naturally do not like to go to a stipendiary Magistrate for the purpose of having their signatures attested. It is easier for them to get the attestation of a Justice of the Peace.

It may be argued that they may satisfy the alternative given, viz., by having the signatures attested by two witnesses known to the Bank. In the opinion of my Committee this alternative is found to be more inconvenient and difficult than the first requirement. My Committee will be much obliged if you will kindly let them know why attestations of Justices of Peace cannot be recognised by the Imperial Bank, and hope that, unless there are strong and valid reasons to the contrary such attestations will be recognised in the interest of Members of the public who cannot sign in English.

No. P. A. D./J. P. J./4411 dated 28th October 1929, from the Imperial Bank of India, Bombay, to Chamber.

I have to acknowledge receipt of your letter No. 2315 of 21st instant.

When a lady signs an Interest Warrant for interest due on Government Pro Notes in the vernacular it is the practice to request that such signatures should be attested by a Magistrate under his Court Seal or by two witnesses known to the Bank.

In view of what you have pointed out we have altered this procedure and such signatures can now be attested by:—

(1). A Magistrate under his Court Seal.

(2). A Justice of the Peace whose signature is known to the Bank.

(3). One witness known to and approved of by the Bank.

We are sure you will appreciate the fact that, as there are over 400 Justices of the Peace in Bombay, it is impossible for this Office to maintain a record of Specimen signatures of such officials who are unable to authenticate their signatures by a Court Seal.

We are of opinion that this is a reasonable business precaution and is for the protection of the holder of the Interest Warrant.

APPENDIX XCII.

BLEACHED YARN MARKED "34|30S" OR "34S GREY MADE UP 30S WHITE".

No. R. S. R. 6897 dated 11th March 1929, from the Collector of Customs, Bombay, to Chamber.

A question has arisen as to the admissibility or otherwise under the Merchandise Marks Act of the above trade descriptions on bundles of bleached yarn. The yarn is actually of 34 counts but is made up after bleaching into bundles of 30 knots of 10 hanks each instead of 34 knots as usual. The marking is objected to on the ground that it is likely to mislead the buyer as to the count and weight of the yarn.

I am informed that bleached yarn marked as above means 34s grey yarn bleached and supplied as 30s. The bundle, therefore, contains 30 knots of 10 hanks each and weighs less than 10 lbs. as four knots have been removed. What really happens is that the buyer gets correct length under 30s of yarn of a higher count. The marking

in effect, therefore, indicates not the count but the manner in which knots have been bundled and should not in my opinion be held objectionable.

No importations of such class of yarn have been noticed at this port, but as the question is of general application and bears interest to the importing houses of yarn, I shall be glad to have the views of the Chamber in this matter.

No. 789 dated 4th April 1929, from Chamber to the Collector of Customs.

With reference to your letter R. S. R. No. 6897 dated 11th March 1929 on the above, my Committee are inclined to think that if the marking referred to therein does not go contrary to the rules laid down in the Indian Merchandise Marks Act regarding trade description and is not likely to mislead or deceive the buyer as to the count and weight of the yarn, no objections should be raised. They are, however, of opinion that importers of such yarns should be required to distinctly mark the bundle as **"34s grey made up 30s white."**

APPENDIX XCIII.

AMENDMENT OF CLAUSE 12 OF THE LETTERS PATENT OF THE BOMBAY HIGH COURT.

No. 1000 dated 6th May 1929, from Chamber to the Government of Bombay, Home Department.

With reference to the representation No. 2321 (22) dated 12th October 1928 of my Committee to the Government of India on the above, I am directed to submit the following further amendment regarding the same:—

My Committee are of opinion that suits for specific performance of contracts for the transfer of immoveable property and suits for the recovery of damages for the wrongful extraction of minerals from land should be treated on the same basis as suits for mortgage. They further request Government to be pleased to further amend the Clause 12 of the Letters Patent, Bombay, High Court, with a view

to bring all such suits within the original jurisdiction of the High Court in cases where the defendant resides within the local limits of such jurisdiction or the cause of action arises there wholly or in part.

My Committee hope that Government will be pleased to make the required amendments in the Letters Patent of the Bombay High Court at as early a date as possible.

No. 429912-B dated 13th May 1929, from the Government of Bombay to Chamber.

I am directed to acknowledge the receipt of your letter No. 1000, dated the 6th May 1929, regarding the proposed amendment of clause 12 of the Letters Patent of the Bombay High Court and to state that it will be laid before Government.

APPENDIX XCIV.

ATTRACTION OF INDIAN CAPITAL ABROAD BY CONCERNS MADE CONSPICUOUS BY SPECIAL PROPAGANDA.

No. 1358-T dated 14th March 1929, from the Government of India, Finance Department to Chamber.

With reference to your letter No. 2068, dated the 14th September 1928, addressed to the Department of Commerce, on the above subject, I am directed to invite the attention of the Chamber to the reply given to the Hon'ble Sir P. Sethna's question in the Council of State on the 17th September 1928. Under the existing law of British India the position is that in the matter under discussion the public has still to rely mainly upon the vigilance of commercial associations, such as the Chamber itself, whose members in their individual and corporate capacity have many opportunities, which are not open to Government, of gauging the merits of commercial and industrial enterprises which are made conspicuous by special propaganda. The Chamber will doubtless recognise that it would not ordinarily be proper for Government to make any pronouncement, by way of caution to the public, on the merits of any individual enterprise, and the Government of India assume that this is not what the Chamber has in mind.

2. On the other hand, in the Companies Act (1928) of the United Kingdom provisions have been adopted which subject to regula-

tion, inter alia, (a) the offering of shares for subscription or sale to the public, and (b) the issue of prospectuses of foreign companies inviting subscriptions for shares or offering shares for sale. The Government of India propose before long to consider whether it would not be advisable to amend the Indian Companies Act of 1913 so as to include therein provisions on similar lines adapted to Indian conditions.

No. 962 dated 30th April 1929, from Chamber to Government of India, Finance Department.

I am directed to acknowledge receipt of your letter No. 1358-F, dated the 14th March 1929, regarding the above. My Committee are glad to note that Government propose, before long, to consider whether it would not be available to amend the Indian Companies Act, 1913, so as to incorporate therein provisions on the lines of Sections 92 and 93 of the English Companies (Consolidated) Act, 1928. They would, however, like to take this opportunity to urge upon Government the necessity of undertaking legislation in that direction as soon as possible.

APPENDIX XCV.

GRANT OF A CHARTER TO THE NATIVE SHARE AND STOCK BROKERS ASSOCIATION.

No. 6592-A, dated 22nd January 1929, from the Government of Bombay, Finance Department to Chamber.

In consonance with the opinion of the majority of the interests consulted, Government have refused recognition under Act VIII of 1925 to the Bombay Stock Exchange, on the ground that no case had been made out for the establishment of more than one Stock Exchange in the City, and that there was a risk of such a step proving detrimental to the interests of the general public.

2. The Governor in Council is aware that this decision is virtually equivalent to the granting of a monopoly to one Exchange: and is therefore inclined to the opinion that the best solution of this problem would be the granting of a 'charter' to the Native Share and Stock Brokers' Association on the lines of that given to the East India Cotton Association by Act XIV of 1922. That Act was passed only

after the constitution of the Association had been satisfactorily determined by agreement among all the bodies interested in the Cotton Trade of Bombay. The analogy in the present case is not quite good, but it is obviously desirable that if legislative authority to control the share market is to be given to any one body, the constitution of that body should be such as to inspire confidence in the general public. Before taking any further action therefore the Governor in Council desires to ascertain the opinion of those chiefly interested as to the desirability of requiring any change in the present constitution of the Native Share and Stock Brokers' Association before offering them a charter.

3. I am instructed to invite your Chamber to submit to Government their views on this matter.

No. 957 dated 30th April 1929, from the Chamber to Government of Bombay, Finance Department.

I am directed to acknowledge receipt of your letter No. 6559-A, dated the 22nd January 1929, regarding the above, and to submit views of my Committee thereon as under:—

My Committee are of opinion that no necessity appears for the present of granting a charter to the Native Share and Stock Brokers' Association.All the rules and regulations of that body were examined in detail only recently both by the commercial bodies and by Government. Under these circumstances, my Committee think that it would be better to wait for sometime longer to see how the new constitution was functioning and how the working of the Association was appreciated or otherwise by the public.

APPENDIX XCVI.

SCALE OF FEES FOR PRIVATE ANALYTICAL WORK AT GOVERNMENT LABORATORIES.

No. 7301-B dated 24th April 1929, from Government of Bombay, General Department, to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to refer to the correspondence ending with your letter No. 2502, dated the 5th November 1928, regarding the scale of fees for private analytical work at the Government Chemical Laboratories,

and to say that, after due consideration of the views of the Bombay Chamber of Commerce and the Indian Merchants' Chamber, Government are pleased to sanction continuance of the scales laid down in statement "A" attached to their letter No. 3701, dated the 5th December 1927.

APPENDIX XCVII.

ROYAL COMMISSION ON INDIAN LABOUR—CO-OPTION OF ASSESSORS.

Dated 14th September 1929, from the Government of Bombay, General Department to Chamber.

I have the honour to inform you that the Chairman of the Royal Commission on Labour is prepared to co-opt to the Commission during its visit to this province two or four local non-official representatives to be designated Assistant Commissioners. These Assistant Commissioners will represent the employers and the employees in equal numbers and will assist the Commission in raising issues for discussion, evoking evidence and examining wtnesses. The functions assigned to them will be of substantially less scope and importance than those assigned to the Commissioners, and they will not be called upon to help to draft or sign the report. They will receive from the Commission, travelling and daily allowances as for first class officers under the Supplementary rules of the Government of India, but they will receive no other remuneration. I am to enquire whether your Chamber is in favour of the appointment of such Assistant Commissioners, and if so, to request you to suggest the names of one or two persons whom your Chamber considers suitable for being so appointed stating their qualifications.

2. The Commission also desires that when it visits areas where a considerable number of women and children are employed it should be assisted by one or more Indian ladies with local experience who could go about with the members within the area and help them to acquaint themselves with the women's point of view. I am to enquire whether your Chamber has any names to suggest. Ladies knowing English would probably be of greater assistance to the Commission

than those speaking only the vernaculars. These Lady Assessors will, within their respective areas, be given the same status and the same travelling and daily allowances as the Assistant Commissioners.

3. I am to request that a reply to this letter may be sent on or before the 19th of September.

No. 2209 dated 25th September, from the Chamber to Government of Bombay, General Department.

With further reference to your letter No. 2124-D, of the 14th September 1929, I am directed by my Committee to suggest the names of Mr. Husseinbhoy A. Lalji, M.L.C., Vice-President of this Chamber, and Mr. Manu Subedar for being co-opted as Assistant Commissioners to the Royal Commission on Labour during its visit to this province.

APPENDIX XCVIII.

ROYAL COMMISSION ON LABOUR IN INDIA

Circular letter from the Joint Secretary, Royal Commission on Labour.

The Chairman of the Royal Commission on Labour in India desires me to send you the enclosed paper setting out the terms of reference to the Commission and a Schedule of the subjects falling within them which appear likely to engage the Commissioners' attention in the course of their enquiry.

I am to invite you your organisation to submit, for the information of the Commission, any written statement which is likely to contribute to the objects of the inquiry.

The attached Schedule of subjects is not intended to be exhaustive, and the Commission will welcome evidence on any matter falling within the scope of their inquiry, whether included in the Schedule or not. They also consider it unlikely that you will feel called upon to deal with all the headings of the Schedule, and I am to suggest that you should select those in the subject-matter of which your experience mainly lies. They would be glad if in dealing with subjects mentioned in the Schedule you would number the various parts of your reply to correspond with the headings numbered in Arabic numerals in the Schedule (Nos. 1—146).

The Commission attach great importance to detailed evidence based on personal experience of particular industries, localities or establishments, and they trust that no possible witness will be deterred from proffering such evidence by its comparatively narrow field. Where information of a definitely statistical nature can be given this will naturally be of the greatest value to the Commission.

In the case of witnesses giving evidence on behalf of industrial institutions it will be of assistance if they will state in their evidence the nature of the firm's business, its output, period for which it has been operating, and particulars of number and grading of its employees, male, female and juvenile.

The Commission will find it of assistance if any memorandum of evidence you may be willing to put forward may be sent as soon as possible, and in any case not later than the 25th September 1929, to the—

Joint Secretary to the Royal Commission on Labour in India,
Camp, India.

The Commission will of necessity have to limit the volume of oral evidence taken by them, but they would be obliged if you could state whether you wish to give evidence in person before them and, if so, at what place it would be most convenient for you to do so. They expect to visit all the leading industrial centres and probably all the provincial capitals in the course of the cold weather of 1929-30.

Enclosure No. 1.

THE ROYAL COMMISSION ON LABOUR IN INDIA

Terms of Reference.

"To inquire into and report on the existing conditions of labour in industrial undertakings and plantations in British India, on the health, efficiency and standard of living of the workers, and on the relations between employers and employed, and to make recommendations."

Note.—"Industrial undertaking" for the purpose of the Commission is interpreted as in Article I of the Washington Hours Convention, which is as follows —

"For the purpose of this Convention, the term 'industrial undertaking' includes particularly:—

"(a) Mines, quarries, and other works for the extraction of minerals from the earth.

"(b) Industries in which articles are manufactured, altered, cleaned, repaired, ornamented, finished, adapted for sale, broken up or demolished, or in which materials are transformed; including shipbuilding and the generation, transformation and transmission of electricity or motive power of any kind.

"(c) Construction, reconstruction, maintenance, repair, alteration, or demolition of any building, railway, tramway, harbour, dock, pier, canal, inland waterway, road, tunnel, bridge, viaduct, sewer, dram, well, telegraphic or telephonic installation, electrical undertaking, gaswork, waterwork or other work of construction, as well as the preparation for or laying the foundations of any such work or structure.

"(d) Transport of passengers or goods by road, rail, sea, or inland waterway, including the handling of goods at docks, quays, wharves or warehouses, but excluding transport by hand."

The competent authority in each country shall define the line of division which separates industry from commerce and agriculture."

Enclosure No. 2.

ROYAL COMMISSION ON LABOUR IN INDIA.

List of Subjects.

I. Recruitment.

(1) Origin of Labour.
- (i) Extent of migration.
- (ii) Causes of particular streams of migration.
- (iii) Changes in recent years.

(2) Contact with villages.
- (i) Extent and frequency of return.
- (ii) Extent of permanent labour force.

(3) Methods of recruitment.
  (i) Existing methods.
  (ii) Possible improvement.
  (iii) Public employment agencies.
    (a) Desirability of establishing.
    (b) Possibility of practical schemes.

(4) Extent and effects of disturbance of family life.

(5) Recruitment of seamen.
  (i) Existing practice.
  (ii) Effect of changes introduced in Calcutta.
  (iii) Suggestions for improvement.

(6) Recruitment for Assam.
  (i) Need of retention of control.
  (ii) Administration of present system.
  (iii) Composition and working of Assam Labour Board.
  (iv) Defects of existing Act and system.
  (v) Possible substitutes.

(7) Unemployment.
  (i) Extent and character.
  (ii) Extent to which caused by—
    (a) Retrenchment or dismissals.
    (b) Voluntary retirement.
    (c) Other causes.
  (iii) Possible methods of alleviating and remedying distress.
  (iv) Unemployment Insurance.
  (v) Application of International Conventions relating to unemployment.

(8) Labour "turnover,"*
  (i) Average duration of employment.
  (ii) Extent of casual employment.

*This word should be read as indicating generally the changes in composition of the labour staff of an undertaking.

(iii) Absenteeism.

(a) Extent, character and causes.
(b) Seasonal or otherwise.
(c) Time and wages lost.

(9) Apprentice Act, 1850.
Value of.

II. Staff Organisation.

(10) Details of organisation, administrative and departmental.

(11) Selection of managing staff.

(12) Recruitment and training of supervising staff, superior and subordinate.

(i) Methods in force.
(ii) Facilities for training and promotion of workmen.

(13) Relations between staff and rank and file.

(i) Relations generally.
(ii) Value and defects of system of employing jobbers.
(iii) Works Committees: their constitution, extent and
(iv) Works Councils and Industrial Councils. achievements.

(14) Timekeeping, piecework, contract and attendance registers.

(i) How and by whom kept and checked.
(ii) How and by whom wages actually paid to workers.

(15) Contractors as intermediaries.

(i) Extent and character of work given on contract.
(ii) Extent of sub-contracting.
(iii) Control exercised over working conditions.
(iv) Effects.

III. Housing.

(16) Extent to which housing is provided.

(i) By employers.
(ii) By Government or other public agency.
(iii) By private landlords.
(iv) By workers themselves.

(17) Facilities for acquisition of land for workers' houses.

(18) Nature of accommodation provided in each class.

(i) In relation to workers' demands.

(ii) In relation to best type from health point of view.

(iii) Provision made for lighting, conservancy and water supply.

(19) Utilization by workers of accommodation available.

(20) Rent rates in various classes.

(21) Special problems arrising in connection with various classes of housing, e.g., Subletting;

Occupation of employers' houses by tenants in other employ;

Eviction.

(22) Moral effect on, worker of industrial housing conditions. Improvements tried and suggested.

IV. Health.

(23) General health conditions of workers.

(i) Figures of mortality.

(ii) Birth rate and infant mortality.

Methods of registration.

(iii) Working conditions—

(a) at work places;

(b) at home.

(iv) Dietary.

(v) Physique.

(vi) Effects of disturbance of sex ratio in industrial cities.

(vii) Relation between housing and mortality.

(24) Extent of medical facilities provided.

(i) By employers.

(ii) By Government.

(iii) By other agencies.

(iv) Provision for women doctors, trained midwives or dais.

(25) Extent to which medical facilities are utilised.
  (i) Generally.
  (ii) By women.

(26) Sanitary arrangements, (a) at work places, (b) at home.
  (i) Latrines.
  (ii) Drinking water.
  (iii) Bathing and washing.

(27) Extent and nature of official supervision.
  (i) Work of Boards of Health in special areas.
  (ii) Inspection of plantations.
  (iii) In mill and other industrial areas.

(28) Suitability of existing Factories and Mines Acts and Rules.
  (i) Control of temperature in factories.
  (ii) Control of humidification in cotton mills.
    (a) Nature of action taken by Local Governments.
    (b) Results.

(29) Disease.
  (i) Prevalence of industrial diseases.
  (ii) Prevalence of cholera, malaria, hookworm and other tropical diseases.

(30) Sickness insurance.
  (i) Suitability of International Labour Convention.
  (ii) Possibility of introducing other systems.
  (iii) How to meet difficulties arising from non-acceptability of Western medicine, paucity of medical men, migration of labour, finance.

(31) Maternity benefits.
  (i) Extent and working of existing schemes (including allowances given before and after childbirth).
  (ii) History of central and provincial Bills.
  (iii) Possibility of legislation.

V. Welfare (other than **Health** and **Housing**, but including **Education**).

(32) Extent of welfare work.
  (i) By employers.
  (ii) By other agencies.

(33) Employment of Welfare Officers and workers.

(34) Nature of other Welfare activities, (a) by employers, (b) by other agencies.
  (i) Provision for refreshments, shelters and creches.
  (ii) Provision for physical culture, recreation and amusements.
  (iii) Other activities.

(35) Results achieved.

(36) Provision of educational facilities by employers—
  (i) For adult workers.
  (ii) For half-time workers.
  (iii) For workers' children.
  (iv) Extent to which used.

(37) Desirability and possibility of provision for old age and premature retirement.

(38) Co-operation.

(39) Possibility and desirability of a Statutory Mines' Welfare Fund.

VI. Education.

(40) Facilities for general education in industrial areas.
  (i) Of children not in employment.
  (ii) Of children employed in factories.
  (iii) Of adults.

(41) Facilities for industrial and vocational traning.

(42) Effect of education on standard of living and industrial efficiency of workers.

VII. Safety.

(43) Existing regulations in factories mines, railways and docks.

(44) Incidence of accidents in factories, mines, railways and docks.

(45) Causes.

(46) Accident prevention (including "Safety First" propaganda).

(47) Accidents in non-regulated establishments.

(48) First-aid and medical relief.

(49) Stringency of inspection and enforcement of regulations.

(i) In industry generally.

(ii) In seasonal industries.

(50) Effect upon safety of hours, health, light and working conditions generally.

VIII. Workmen's Compensation.

(51) Workmen's Compensation Act.

(i) Extent of use.

(ii) Comparison with extent of possible claims.

(iii) Effects on industry.

(iv) Availability and use of insurance facilities and value from workers' point of view.

(v) Desirability of compulsory insurance by employers.

(52) Desirability of extending Act to other occupations.

Possibility of providing against insolvency of employers who might be so covered.

(53) Suitability of provisions relating to—

(i) Scales of compensation.

(ii) Conditions governing grant of compensation.

(iii) Industrial diseases.

(iv) Machinery of administration.

(v) Other matters.

(54) Desirability of legislation on lines of Employers' Liability Act, 1880,

IX. Hours.

A. Factories.

(55) Hours worked per week and per day.

(i) Normal, i.e. as determined by customs or agreement.

(ii) Actual, i.e. including overtime.
(iii) Spreadover, i.e. relation between hours worked and hours during which worker is on call.

(56) Days worked per week.

(57) Effect of 60 hours restriction—
(i) On workers.
(ii) On industry.

(58) Effect of daily limit.

(59) Possibility of reduction in maxima.

(60) Intervals.
(i) Existing practice—
(a) In relation to fatigue.
(b) In relation to workers' meal times.
(ii) Suitability of the law.
(iii) Suitability of hours during which factory is working.
(iv) Number of holidays given.

(61) Day of rest.
(i) Existing practice.
(ii) Suitability of the law.

(62) Exempting provisions and the use made of them.

B. Mines.

(63) Hours worked per day and per week.
(i) Normal, i.e. as determined by custom or agreement.
(ii) Actual, i.e., including overtime.
(iii) Spreadover, i.e. relation between hours worked and hours during which worker is on call.

(64) Days worked per week.

(65) Effect of restriction of hours.
(i) On workers.
(ii) On industry.

(66) Possibility of reducing maxima.

(67) Suitability of the law relating to shifts.

(68) Possibility of introducing an effective daily limitation.

(69) Intervals.

(i) In relation to fatigue.

(ii) In relation to workers' meal times.

(iii) Number of holidays given.

(70) Day of rest.

(71) Adequacy of existing provisions.

(72) Exempting provisions and use made of them.

C. Railways.

(73) Hours worked per week and per day.

(i) Normal, i.e. as determined by custom or agreement.

(ii) Actual, i.e. including overtime.

(iii) Spreadover, i.e. relation between hours worked and hours during which worker is on call.

(74) Days worked per week.

(75) Extent of application of International Labour Conventions relating to—

(i) Hours.

(ii) Rest days.

(76) Intervals.

(i) In relation to fatigue.

(ii) In relation to workers' meal times.

(iii) Number of holidays given.

(77) Possibility of regulation.

D. Other Establishments.

(a) Plantations.

(b) Docks.

(c) Other industrial establishments.

(78) Hours worked per week and per day.

(i) Normal, i.e. as determined by custom or agreement.

(ii) Actual, i.e., including overtime.

(iii) Spreadover, i.e. relation between hours worked and hours during which worker is on call.

(79) Days worked per week.

(80) Desirability of regulation.

X. Special Questions relating to Women, Young Adults and Children.

A. Factories.

(81) Effect of 1922 Act on employment.

(82) Admission of infants to factories.

(83) Suitability of regulations for women's work.

(84) Suitability of regulations affecing children.

(i) Hours and intervals.

(ii) Minimum and maximum ages.

(85) Double employment of children (i.e. in more than one establishment in same day).

(86) Work and training of young adults.
Facilities for apprenticeship.

(87) Extent of "blind alley" employment (i.e. extent to which children are dismissed on reaching full age).

(88) Comparative merits of double and single shift systems as affecting health of women, young adults and children.

(89) Work of women and children in factories not subject to Act.

(i) Use by Local Governments of section 2 (3) (b).

(ii) Advisability of extended application.

B. Mines.

(90) Effect of Act of 1923.
Suitability of certification provisions.

(91) Exclusion of women.

(i) Suitability of regulations.

(ii) Probable effect on industry.

(iii) Economic effect on workers.

(iv) Speed of withdrawal.

C. Other Establishments.

(92) Need for regulation.

XI. Special Questions relating to Seamen and Workers in Inland Navigation.

(93) Hours of work.

(94) Rations and accommodation, articles of agreement, etc.

(95) Indian Merchant Shipping Act.

(i) Existing provisions.

(ii) Need of revision.

XII. Wages.

(96) Prevailing rates of wages (time and piece) and average earnings.

(i) In industry.

(ii) In surrounding agricultural areas.

(iii) Difference between money wages and money value of all earnings.

(97) Movements in recent years.

(i) Increases and decreases.

(ii) Reasons for variation.

(iii) Relation to prices and cost of living (pre-war and post-war).

(iv) Relation to profits.

(98) Amounts sent to villages.

(99) Payment in kind and allied problems.

(100) Extent and effect of payment through contractors, sub-contractors or headmen.

(101) Method of fixing wages.

(i) By negotiated agreements.

(ii) Other means.

(102) Basis of payment for overtime and Sunday work.

(103) Extent of standardisation.

(104) Effect of wage-changes on labour supply.

(105) Minimum wages.

Advisability and possibility of statutory establishment.

(106) Deductions.
- (i) Extent of fining.
- (ii) Other deductions.
- (iii) Utilisation of fines.
- (iv) Desirability of legislation.

(107) Periods of wage-payment (day, week or month).
- (i) Periods for which wages paid.
- (ii) Periods elapsing before payment.
- (iii) Desirability of legislation—
  - (a) to regulate periods;
  - (b) to prevent delay in payment.
- (iv) Treatment of unclaimed wages.

(108) Indebtedness.
- (i) In village.
- (ii) In industrial area.

109) Bonus and profit sharing schemes.
- (i) Nature and effect of schemes which are or have been in operation.
- (ii) Basis of schemes, whether production or profits.

(110) Annual or other leave.
- (i) Extent to which taken by workers.
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(111) Desirability of Fair Wages Clause in public contracts.

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(112) Comparative changes in efficiency of Indian workers in recent years.

(113) Comparative efficiency of Indian and foreign workers.

(114) Extent to which comparisons are affected by—
- (i) Migration of workers.
- (ii) Use of machinery.
- (iii) Comparative efficiency of plant.
- (iv) Comparative efficiency of management.

(v) Physique.
(vi) Health.
(vii) Education.
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(115) Effect on production of—

(i) Changes in working hours.
(ii) Changes in other working conditions.
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(v) Alterations in methods of remuneration.
(vi) Movements in wage levels.
(vii) Legislative enactments.
(viii) Dietary.
(ix) Alcohol and drugs.
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(116) Possible methods of securing increased efficiency.

XIV. Trade Combinations.

(117) Extent of organisation of—

(i) Employers.
(ii) Employed.

(118) Effect of organisations on—

(i) Industry.
(ii) Conditions of workers generally.

(119) Nature of Trade Union activities.

(i) Mutual aid benefit schemes: unemployment: sickness: old age: strike pay.
(ii) Other activities.

(120) Individual Trade Unions.

(i) History.
(ii) Attitude of workers and extent of their control.
(iii) Attitude of employers and relations with them.

(121) Trade Unions Act, 1926.

(i) Extent to which utilised.

(ii) Effects.
(iii) Possible amendments.

(122) Miscellaneous questions regarding Trade Unions.
(i) Methods of negotiation between employers and employed.
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(iii) Position of employers in State industrial concerns in relation to general Trade Union movement.

XV. Industrial Disputes.

(123) Extent of strikes and lock-outs.
(i) Causes.
(ii) Duration and character.
(iii) Nature and methods of settlement.
(iv) Loss to industry and workers.

(124) Conciliation and arbitration machinery.
(i) Results of previous investigations.
(ii) Part played by official or non-official conciliators in settling disputes.
(iii) Use (if any) made of Employers' and Workmen's Disputes Act, 1860.
(iv) Joint standing machinery for regulation of relations between employers and workpeople.
(v) Opportunity afforded to workpeople of making representations.
(vi) Applicability to Indian conditions of Industrial Court, Trade Boards, Joint Industrial Councils.

(125) Trades Disputes Act.

(126) Attitude of Government—
(i) Towards trade combinations.
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XVI. Law of Master and Servant.

(127) Effect of repeal of Workmen's Breach of Contract Act.

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(129) Extent to which (i) Civil, (ii) Criminal law is available and used for enforcement.
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(134) International Labour Organisation.
(i) Ratification of Conventions and action taken.
(ii) Its effect on legislation, &c.
(135) Relations between Central and Local Governments.
(136) Administrative authorities in various Governments.
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(137) Effect of differences in law or administration in Indian States and British India.
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(139) Factory inspection.
(i) Adequacy of staff.
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(iv) Prosecutions and their result.
(140) Mines inspection.
(i) Adequacy of staff.
(ii) Rigour and efficiency of administration.
(iii) Prosecutions and their result.
(141) Railways (State and Company).
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(142) Plantations, docks and other industrial establishments.
Extent and nature of inspection.

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(143) Existing statistics.
(i) Extent and use.
(ii) Method of collection.
(iii) Degree of accuracy.

(144) Possibility of imporvement in statistics.

(145) Nature of special investigations conducted.

(i) Cost of living enquiries.

(ii) Results achieved.

(146) Future developments necessary.

No. 2334 dated 23rd October 1929, from Chamber to the Secretary, Royal Commission on Labour.

I beg to advise having to-day sent to you under separate post thirty copies of the written statement of the views of the Committee of this Chamber.

I am also directed to inform you that the Committee of the Chamber would be represented by Mr. Laxmidas R. Tairsee (president) and Mr. Manu Subedar, for the purposes of oral evidence.

1. The Indian Merchants' Chamber is a body constituted of various trading, commercial and industrial interests. Several groups of its members are interested in particular trades and industries and either they themselves individually or in groups collectively will have their say with regard to the technical aspect of the questions set forward in the memorandum of the Royal Commission on Labour. They will also be concerned with the details asked for in some of the items of the memorandum.

The Chamber itself will, therefore, answer the memorandum on general lines and will concern itself mostly with general broad principles without going into the details.

2. The Chamber has generally supported proposals for the improvement of Labour. In so far as the workers in factories and in large establishments constitute perhaps the most intelligent section of the masses, every suggestion for improving their physical condition, their surroundings, their conditions of work and generally for bringing about their amelioration, will receive the support of the Committee.

3. My Committee regret the emphasis which is being constantly put in imitation of the western world on the conflict between the interests of Labour and Capital. This emphasis, perhaps, does not do

much harm in the West where various social and political forces balance themselves. But in India where the labour community is backward in education and is not apprised of its interests and rights, a general disturbance which does not aim at a concrete result, cannot but produce harm. As an illustration of this, my Committee would like to point out the recent strike in Bombay, which extended beyond all reasonable period, and the price paid by labour and industry as a whole is beyond all hopes of redemption within a reasonable period of time.

4. My Committee would like to see genuine trade unionism established in this country. The organisation of unions, as the Commission will discover, is on defective lines at present. A trade union should receive regular contribution from its members and its affairs should be managed on the basis of such contributions by men of the working classes or by regular trade union officials. My Committee do not object to assistance being rendered to trade unions, as at present in some cases, by individuals from outside the labouring classes, whose desire is to guide Labour in securing its true interests but they would prefer to see unions formed on proper lines and run by the men themselves. A true sense of responsibility would then dawn on the unions, which is unfortunately not the case at present.

5. My Committee would urge on the Commission to enquire how is it that what is regarded in the West as the ultimate weapon in a class conflict, is called into existence in this country in the very first instance. The expedient of a strike is resorted to in countries where trade unionism has advanced on proper lines as a last resort. In India we have known of strikes taking place and of men going on strike, not knowing what it is all about. The formation of grievances comes about in India after the strike has been declared. Consultations with the management take place after the strike and in an atmosphere in which both parties are losing and are excited and, therefore, in an atmosphere in which, whatever the outcome of the strike may be, a certain amount of bitterness and bad feeling is left. When a reasonable settlement is reached regarding the old grievances, the final point of contention usually is the question of wages during the strike period. Again and again in India the phenomenon of a lightning strike at the instance of a few people led away by sentiment

as seen, and this sort of activity on the part of Labour has had adverse effect on the progress of the industry. Sympathetic strikes, in the opinion of my Committee, do not always disclose the strength of the labour feeling, but the weakness. The real bargaining power of Labour arises from a true union amongst themselves and from responsibility towards industry, which finds means for the workers. This sense of responsibility unfortunately has not been evince on all occasions. Allowance may, however, be made for the fact that the labour movement has been in its infancy in India, but my Committee would like to see in future these defects remedied. Labour's claim for improvement would have a much stronger moral as well as material basis when they evince the same tender thought for the preservation and the progress of industry.

6. The result of recent tendency amongst Labour, in Bombay at all events, has been a desire to do as little work as possible and to neglect duties assigned to them except where wages are on piece-rate basis. Even here while production is attended to, due care for machinery and plant is not to be seen. My Committee understand that discipline which is essential in the efficient organisation of the industry has been greatly dsturbed. The result is that on the basis of ordinary costs of cotton and cloth, the textile industry should in Bombay today be well-off, but it is notorious that it is loosing. The policy of Labour in not checking inefficiency and neglect and in adopting an attitude which requires increased supervision, is suicidal as it is likely to kill the goose which lays the golden eggs.

7. The most important need of the labour classes in India is education. In spite of the very heavy increased load of taxes being levied on the country during the last twelve years both by the Central Government and by Provincial Governments, the popular demand for compulsory education has not been met. It is unfortunate that education is not made available even to the children of the limited number of industrial workers who are going to constitute the next generation of Labour. The defect is likely to perpetuate the present condition and the present mentality of Labour. As a rsult of all this there is room for criticism regarding lack of elementary notions of citizenship on the part of Labour. People come from their village homes

without any idea as to the requirements of city life in the matter of their own health or their own safety. They are liable to panic. The education which the Chamber would like to see imparted, not only to children but to adults working in factories, ought to comprise elementary hygiene and elementary citizenship. The next important improvement in the matter of the condition of the labouring classes is to teach them the value of money and how to spend it. My Committee would like to point out that either singly or in unions the labouring classes do not receive full value for their money from the shops to which they resort. They are also prone to get into debt either to the shoppeepers or to pety money-lenders and the evils, from which then themselves ultimately suffer at the hands of usurious money-lenders, are notorious. The last but the most important notion, which they lack and which it would be most essential to instil into them, is the value of savings. There are no benefit societies in India working on the Western model, and provision for old age or for any social or for any other contingency is rare indeed. The savings of the working classes are generally invested in ornaments which fetch them no interest and which, when converted, generally show a deficit both on account of wear and tear, making charges and on account of the alloy which is mixed with the precious metal. A feature of the life of the working classes is the loss of their savings arising out of an open hospitality to all relations, kinsmen, village folk and caste men. Whenever men are unemployed for any reasons, or when they choose deliberately to stay away from employment, whether it is for a short period or for a long period, they go and live with their relations, kinsmen, or villagemen either in the industrial centre or in the village home. While this is a very useful social phenomenon of insurance in the absence of elaborate and adequate provision against unemployment, it eats away the savings of the working classes as a whole and we have no counterpart in India to the enormous funds which trade unions, benefit societies, building-societies and other co-operative bodies have in Western countries to the credit of the working classes.

8. The other exploitation to which the working classes are exposed, is also the result of their ignorance of their rights and op-

portunities and that is at the hands of jobbers, who are men arisen from their own ranks. The full extent and evil of this exploitation, my Committee trust, the Commission would be able to unravel in the course of their investigation and hope they will be able to institute some effective punitive machinery against the exactions to which men are subjected in this manner.

9. The progress of education, of health conditions and of the social surroundings in which the workmen live, is desirable not only in their own interests but also in the interests of the community generally, and it is essential that the righs which Labour has so far secured by legislation and administrative enactments, should be clearly understood by them individually and they should know how to stand out for such rights in a businesslike manner, i.e., in a manner which will not detract from their own interests or which will not hurt the fountain of their income and the source of their employment, viz., the industries in which they are engaged.

10. The improvement of labour conditions, the increase of wages and the bringing up of Labour in India on the same basis as Labour in other countries, have been constantly discussed and rightly given a chief place in the programme of the working classes in this country. My Committee wish to point out that such a programme is perfectly legitiate and laudable. They would, however, point out that the result of those efforts would not depend merely on the strength of the Labour struggle against what are called the Capitalist classes. The ultimate limit of all amelioration of conditions of work and life is set by the price which can be realised for an article. This price is regulated by the price at which the article can be imported (subject of course to import duties) and also by the price at which a rival concern is prepared to sell. Internal competition and foreign imports, therefore, determine the selling price. From this price the industry has necessarily to pay for the raw material. The costs of raw material, it must be recognised, have generally increased on account of the increased transport and other costs as well as increased taxation. The industry has further to pay for the capital costs of the buildings, machineries and of the equipments and for the depreciation of these in order that when they

wear out they can be replaced. All industries have further to pay interest charges on borrowed capital and these have also increased in recent years. They have to pay insurance as well as posts, telegraphs, telephone and other charges, which have shown a marked increase. After all these legitimate out of pockets, the residue, from which Labour and Capital can claim their respective shares, is restricted to a particular amount and this very rigorous restriction is not generally realised by those who claim to speak for Labour or in favour of Labour. If this residual share is to increase, the production costs must diminish and one of the most important factors for diminishing the production costs is efficiency of Labour. My Committee desire to record that as compared with a generation ago, Indian Labour has improved considerably in efficiency, but there is still a very big leeway to be made up before they attain the efficiency of the workmen in Western countries, and specially the American. If Labour want similar conditions to those that prevail in the West, they must give the same kind of work as is given by their comrades in the West, because the products of Western factories are coming in competition with the products of factories in which Indian labour is employed. The position is much worse in the matter of the Latin countries like Italy, where the standard of living is not as high as in the United Kingdom. But the matter becomes will more serious when we come to Japan where production is on the same basis as in the West with much lower wages and with an "espirit-de-corps" and a national feeling, which secures very efficient and careful work. The Japanese Government, my Committee understand, follows a policy of close study of the vicissitudes of an industry, and renders assistance to secure industries from any undue harm over a certain number of years. This policy my Committee would like to see established in India.

11. My Committee regret that the action taken by Government with regard to labour questions appears to be more or less one-sided, in that, while they have been very prompt with regard to ratifications of Conventions and Recommendations passed by the International Labour Conferences, they are slow to a fault in meeting with any situation which arises locally, necessitating their intervention either as regards labour disputes or as regards protection to industries. In Eu-

rope Government intervention in the time of a great labour crisis is prompt, the latest instance being in connection with the recent textile strike in Lancashire. In India, Government do not move so quickly. They have failed to protect workmen who are willing to work, and have been somewhat dilatory in putting on the statute book laws which would protect workmen against coercion. My Committee have been a consistent critic of Government's policy towards industry and they feel that the weakness of India's industrial position must be recognised if Labour's conditions is to be permanently improved. This weakness arises from the fact that industries are isolated and are not linked together with the result that many things, which industry requires, have got to be imported including machinery. The filling up of these gaps cannot be done by private initiative, particularly as most of the large suppliers of imported article have set up their own agencies here and are now offering competition of an unfair character to any local enterprise which comes into existence. My Committee consider that an industry, which is threatened with extinction, is entitled at the hands of the Government of the country to immediate consideration and adjustment not merely in the matter of tariffs, but in the matter of transport charges and in various other matters such as patronage of Government purchases. In all these directions Government have shown themselves unwilling to move with the demands of public opinion. My Committee would like to see Labour realise that they are vitally interested in the progress of industry generally and in the increased scope of employment, because the sustenance of improved wages comes ultimately from continuous and progressive demand for Labour. They would earnestly request the Commission to analyse this fundamental economic fact and the bearing which it must inevitably have on the fortune of Labour in India.

12. Since measures of general improvement have to be adopted and when they are adopted, they impose an additional burden on the industry and since all industries cannot be in a prosperous condition at any particular moment or time, my Committee feel that whenever such measures are adopted, it should be open to any industry, which is for the time being in distress, to prefer its case for special protection or encouragement in order to make up the deficits thus caused. The machinery for this purpose is at present extremely unsatisfactory. The

protection asked for by any particular industry is going to benefit not only Capital but Labour and such an appeal would, it is hoped, generally receive the support of leading labour organisations concerned with that particular industry. My Committee feel that there should be a national economic policy under which not sectional but general interests would be considered. A quick relief granted to an industry at the first symptom of difficulties arising not only from increased charges in connection with labour legislation, but from any other causes beyond their control, or from unfair and subsidized competition offered from abroad, is of vital importance to Labour itself in so far as it saves the industry from a weak condition or from extinction, and thus maintains the full scope of employment for that particular class of employee.

13. My Committee would like to invite the notice of the Commission to the welfare activities of several employers all over India often unsolicited by the workmen. They recognise this merely as a symptom of class good will and as a clear negation of any bitter class antagonism, and would concede at once that such spasmodic activities do not suffice and that securing conditions, which are essential for the health of the employee or for his surroundings or for his livelihood, must be on a uniform basis and must be by regulation so as to prevent the worst employer having any advantage in competition with the best employer. They, therefore, favour the principle that recognised evils complained of by Labour should be put right by means of legislation or by administrative measures. They would like such legislation or regulation to be enforced, but they must sound a note of warning against capricious interference by a body of miscellaneous inspectors of the kind that would find a flaw in the conduct of the management, or which would check the continuity of operations essential to an industry. In either event costs would be considerably increased and the failure of the output of Indian factories to withstand in the market with the imported article would re-act harmfully on the interests of the working classes themselves. With regard to legislation their proposals are that it should be carefully devised with reference to Indian conditions alone and should not be merely a copy of laws existing elsewhere. In general my Committee desire that the advantage of

any legislation in their favour should go to the working classes. It is undesirable for Government to launch on any legislation which has not been definitely asked for by the industry itself, i.e., either by the employers or by the employees. The solicitude shown by Government for the representation of Labour as such ought to secure at all events the more outstanding demands of Labour being formulated inside the Council Halls on the initiative of non-officials. It is also necessary to see that legislation of a complicated and advanced character in the interests of Labour is not initiated without definite information as to whether such legislation has been adopted by other countries. Where it has been discovered that it has not been adopted by countries whose output enters India, definite tariff barriers ought to be raised. This again is a measure calculated to benefit the working classes themselves who share the fortunes of any industry in which they are engaged.

14. My Committee favour fuller compilations of labour statistics of prices of commodities for working classes and every device which will help to secure better understanding of the issues by the employers and the employees such as the conciliation committees and the facilities for the officials of a properly constituted union to lodge a complaint and to receive redress, where possible, and explanation. They would like some machinery to be instituted which would intervene before a strike is called in any industry, and which would lead to a clear examination of the issues. The machinery for conciliation has not been successful in India as popularity of labour leaders unfortunately depends on the extreme measure of their demand and that of moderate labour leaders is generally at a discount. Having regard to the conditions of society in India and to the general backwardness of Labour, what this machinery should be, it is for the Commission to decide. But at least for sometime it is necessary to have a permanent body constituted, or a court of enquiry with a judicial man of high standing at the head to whom references must be made compulsory before a strike or a lockout is called. My Committee would go further and advocate the compulsory reference of all issues arising between employers and employees to such an impartial and competent court. They are aware that laws relating to such compulsory reference have not been successful in certain countries, but the experi-

ment is one which may be made in India and if it is handled by proper men in the first instance for a few selected industries, there is every reason to hope that the procedure may come to be definitely recognised and respected and may come to be adopted. My Committee tee have every reason to believe that, while it would not do harm to Labour, it will be welcomed by the employers as it will save the industry from the ruinous condition of intermittent work and disorganization which inevitably follows a strike or a lockout. The time lost during the strike and the loss of full and efficient work on resumption are so great a price paid that every one ought to strive for arbitration. The *raison d'etre* of such independent tribunals lies not only in the grave consequences to either party of a breakdown but in the fact that a detailed and scientific examination of conditions of reduction of wages and prices cannot be conducted either by the employers themselves, much less by the employees or those benevolent well-meaning individuals connected with Labour at present. The present position is that Labour is content to go along the old rut and is therefore opposed to the reorganization of the industry on modern lines whenever it is called for, because it does not understand the full implications. It is well-known that every reorganisation in industry involves elimination of the least useful unit and the aim is to reduce costs. If every time when a demand is made to make an improvement in the internal organization, the cry is raised by a few parties misplaced and materially affected, and if this cry is taken up universally, industry would be at a standstill. The economic justification, therefore, of any such reorganization could be only given in detail to a competent and authoritative party and hence the suggestion for the court of inquiry and ultimately of arbitration is not merely as the shortest way out of industrial difficulties, but as the best method of securing the interests of all the parties concerned.

15. My Committee would draw the attention of the Royal Commission to an important and outstanding point regarding Labour in India, which is, that employment in India is not continuous. In agriculture able-bodied men have not got work the whole year round. In many places they have no work for at least four complete months in the year and in some cases for actually eight months. Even when they have the work they have not got sufficient work to go on for

more than a few hours daily except at the time of sowing operations and harvesting. Employment is not therefore full. Hence the earnings of employment are not adequate. This is what accounts for the low standard of life and it works in a vicious circle, because, the low earnings do not provide the wherewithal to buy all that the body needs, much less do they give opportunities for amusements or expanding the mind. In this great backwater of semi-employment and partial employment drift back those that are temporarily or permanently thrown out by the industrial system. There is no machinery in this country either from the labour movement or from Government or from employers, which takes account of a large number of men who drift backwards and forwards in this manner. This is without any reference to the considerable amount of casual absenteesm that takes place. If an account was kept of men who had once been employed in the textile industry, but who are now thrown out and are obliged to seek another and possibly less remunerative job, it would be found that the number was considerable. It would be the same with reference to every organised industry in which the wages are high. This unemployment is an evil not only from the point of view of the workmen but from the point of view of the country.

16. Housing: The provision of housing by employers has come to be recognised as a desirability. That the employer should in all cases find the necessary capital and organisation to provide housing for his employees is a demand which would put a burden on industry which it cannot bear. No progress could be possible if money, which was intended and which falls into the hands of the entrepreneur class, were used in bricks and mortar instead of being employed for production. If the burden is not, therefore, to be placed directly on the industry, what is to be done with regard to housing is a legitimate question. The solution, in the mind of my Committee, is the same as the solution everywhere in the world, viz., that rent must be on a basis which would give an adequate return to the capital put in housing and thus more money would be attracted in building houses and the accommodation would increase. But the difficulty in Bombay is that the workpeople with their present standard of life are averse to spending an adequate amount for housing. There was a

special difficulty in the Town and City of Bombay because the price of land, on which housing could be provided, was inordinately high. My Committee must point out that the methods of easing the situation so far as the City of Bombay is concerned have proved worse than the disease. Out of the 16,000 rooms provided by Government at Worli, between 4,000 and 5,000 were occupied till lately and there were more than 10,000 rooms locked up. It is claimed that these constructions are better than the houses in which workmen live at present and if that is so, locking these rooms, which have been constructed from public money and the loss in which is borne by the taxpayer, is deplorable and must be ended. The representative of this Chamber has urged that these rooms should be immediately thrown open at a rent which will attract workmen who are living in other crowded parts of Bombay, but Government have for some reasons or other, not accepted the suggestion. There was a time in Bombay when chawls, which could be provided by employers were popular. But since the eara of big strikes has set in, there is a suspicion in the minds of the workers and any housing provided by the employer is looked upon with distrust. The difficulty is not that of finding houses for the workmen but of inducing them to lead a regular life with their families and settle down where the industry is. Most workmen hailing from the interior come alone to the industrial centres and desire to go away for two or three months to spend their time with their families. When they are alone it is not unusual for three, four, five or a dozen of them to pool their resources together in respect of a room which is used mainly for cooking, the resting place being found by the inmates wherever available, sometimes in the open verandah and sometimes out in the open. The point, therefore, to consider is not merely whether the working classes could afford the rents which are asked for them, but whether they desire to spend on rents for a house in the City on a reasonable scale. Generally it would be found by the Commission that the workmen desire to save their money in order to take it back to their agricultural homes or in order to send remittances to their parents and others, or, as it generally happens, in order to pay instalments of previous debts. The reduction of slums, which is a very desirable object from every point of view, is thus interfered with by the habit of the workmen themselve[redacted]

17. Among the general conditions in which improvement for Labour is desirable, by Committee would give a very high place to the abolition of drink. The amount of money spent by the working classes on drink has never been properly estimated but it is considerable and there is no doubt that the bulk of it comes from the pockets of the workingmen. The policy of prohibition has been accepted by the Government of Bombay in principle, but their present financial straits appear to have compelled them to act in the other direction. The harm which the drink can do in India is not to be estimated by the harm which it may or may not do in Europe. Besides that in India, my Committee find a tendency among the working classes not to be in moderation when they take to drink. If the working classes are saved from the expenses which they at present incur on drinks, their resources would *ipso facto* increase and their standard of living in other directions would go up. The beneficent results in the matter would be cummulated and they could be served by a certain amount of stringency at the hands of Government. If the Royal Commission desire to do real good to the working classes in India, my Committee trust that they will give the question of reduction or abolition of drink a leading place in their recommendations.

18. Hours of Work: My Committee would like to make a few general observations with regard to hours of work. The period fixed by Law for factories in this country is 10 hours a day. This is in accordance with the First Convention of the First International Labour Conference which provided specifically different treatment to Asiatic countries like India, looking to the difference in climate, economic conditions, organisation, etc.

My Committee apprehend that efforts may be put forward both before the Commission and outside to get the hours of work reduced. Reduction of hours would only be possible if wages could be reduced or if there was a substantial increase in the efficiency of the workpeople. Reduction of wages is not a practical proposition and therefore the only alternative left is in the direction of increased efficiency. In comparison with all European countries and even with an Asiatic country like Japan the efficiency of the workpeople in India is low

and if a radical alteration could be effected in that direction, my Committee would support the demand for a reduction of working hours. There is another consideration however which requires to be pointed out in this connection and that is, that while advanced industrial countries which have got a reduced number of working hours have got a favourable and effective tariff policy protecting their national industries and shut safeguarding the interests of both employers and employees, India at present cannot afford the luxury of shorter hours because of the present stage of the development of her industries and the fact that she has no effective protective Tariff policy but has only revenue duties and a diluted form of protection passing under the name of discriminating protection. It may not be out of place to remark that even some of these industrially advanced countries of the West have not been able to ratify the Convention referred to above even up to the present time.

Under these circumstances, my Committee are firmly of opinion that no reduction should be effected in the hours of work.

19. With regard to the employment of women, my Committee would like to see the scope for employment of women to be increased as othrwise it will be a serious blow to the family budget of the workingman, but the employments which would be open to women should be such as would not prove harmful to them, having regard to their special physical needs. In particular, my Committee would like to see the employment of women underground put an end to as early as possible. It should not have been allowed and any temporary gain to industry out of this is to be strongly deprecated. The substitution of women for men above ground is, however, to be favoured whereever possible. The principle of equal pay for equal work, which prevails in the United Kingdom and which is admitted, is in the mind of my Committee a very sound and righteous principle, but wages have a way of adjusting themselves according to demand and supply and so long as the field for employment for women is restricted, the reward for them even for the same class of work is bound to be lower than what is paid to men. It is for the Commission in the course of their enquiry to find out what should be done to increase the scope of

employment for women and to substitute them for lighter operations where men work at present.

APPENDIX XCIX.

EMPLOYERS' DELEGATION TO THE 13TH INTERNATIONAL LABOUR CONFERENCE.

Copy of a Telegram dated 18th September, from Chamber to Government of India, Department of Industries and Labour, through Sir Purshotamdas Thakurdas, representative of the Chamber in the Legislative Assembly.

"Please forward following telegram to Industries begins Committee Indian Merchants' Chamber have learnt with regret appointment of Mr. Brown as Advisor to Employers Delegate at forthcoming International Labour Conference Geneva. Committee are of opinion it is most desirable that only Indians should be appointed on such delegations and hence request that in future such appointments should be reserved for Indians only taking into consideration Indian sentiment on the subject ends. Inchambu".

No. L. 1537 dated 28th September 1929, from the Government of India to Sir Purshotamdas Thakurdas, Kt.

I am directed to acknowledge the receipt of your letter dated the 18th September 1929, communicating the message of the Committee of the Indian Merchants' Chamber, Bombay, protesting against the appointment of Mr. P. H. Browne as an advisor to the Employers' Delegate to the 13th International Labour Conference.

APPENDIX C.

13TH INTERNATIONAL LABOUR CONFERENCE—SIR GEOFFREY CORBETT'S STATEMENT.

No. 2745 dated 6th December 1929, from Chamber to Government of India, Department of Industries and Labour.

The attention of the Committee of this Chamber has been drawn to a statement made by Sir Geoffrey Corbett, Government of India Delegate to the 13th Session of the International Labour Conference,

before the Credentials Committee of that Conference that the Government of India had been negotiating with Indian and European Chambers of Commerce in the country for the last many years with a view to arrive at an agreement between them about the Employers' Delegation to International Labour Conferences. As far as my Committee are concerned, they are not aware of any such negotiations. They would, therefore, like to know from Government as to what justification their Delegate had for making such a statement.

APPENDIX CI.

HOURS OF WORK OF SALARIED EMPLOYEES—QUESTIONNAIRE ISSUED BY THE INTERNATIONAL LABOUR OFFICE.

No. 2241 dated 19th September 1929, from the Director of Information and Labour Intelligence, Bombay to Chamber.

In accordance with the instructions of Government, I have the honour to forward herewith 12 copies of a Questionnaire issued by the International Labour Office on the above subject which is the Second Item on the Agenda for the Fourteenth Session of the Conference to be held at Geneva in June 1930 and to request you to be good enough to send me the views of your association, if any, on the various questions incorporated in the Questionnaire by the 5th October 1929 at the latest. I regret that it will not be possible to take into consideration any views not submitted by that date because the whole case has to be submitted by the Local Government to the Government of India before the 25th October 1929 and the International Labour Office requires replies by December 1st.

QUESTIONNAIRE ISSUED BY THE INTERNATIONAL LABOUR OFFICE ON HOURS OF WORK OF SALARIED EMPLOYEES

(Item II on the Agenda for the Fourteenth Session of the Conference to be held in Geneva in 1930.)

Preliminary Question.

1. Do you consider it desirable that the International Labour Conference should adopt a Draft Convention to regulate internationally the hours of work of salaried employees?

If you are not in favour of a Draft Convention, are you in favour of a Recommendation?

Scope.

2. Do you consider that the scope of application of the Draft Convention or Recommendation should be based on a general definition of the expression "salaried employee"?

If so, what definition do you propose?

If it is found impossible to reach a sufficiently exact definition of the term "salaried employee" to what categories of workers do you consider the scope of application should extend?

3. In any case, whether or no you consider it possible to determine the scope of application on the basis of a definition of the expression "salaried employee" or on the basis of an enumeration of categories of workers or both, do you consider that the Draft Convention or Recommendation should include within its scope all persons employed in:*

(a) commercial and trading undertakings of whatever kind;
(b) undertakings which are both industrial and commercial in so far as they are not treated by national law as industrial undertakings;
(c) undertakings, including within that term public administrative services, in which the staff is mainly engaged in office work;

*For the addenda to Question 3 see Appendix to the Questionnaire.

(d) institutions for the preventive and curative treatment of the sick, infirm, destitute, and mentally unfit;
(e) theatres and places of public amusement;
(f) hotels, clubs, cafes, restaurants and other refreshment houses?

What other kinds of undertakings do you propose?

4. Do you consider that the Draft Convention or Recommendation should apply to all undertakings of the kinds specified—

(a) whether they are public or private;

(b) whether they are secular or religious;

(c) whether or not they are carried on for profit?

5. Do you consider that undertakings in which only members of the employer's family are employed should be excluded from the scope of the Draft Convention or Recommendation?

What do you understand by the term "members of the employer's family"?

6. What categories of staff, if any, employed in the above kinds of undertakings do you consider should be excluded from the scope of the Draft Convention or Recimmendation?

*For the addenda to this Question, see the Appendix to the Questionnaire.

Normal Hours of Work.

7 (a). Do you consider that a definition should be given of hours of work for which a maximum is to be fixed?

If so, do you consider that the hours of work to be regulated are the time during which the persons employed are at the disposal of the employer and that they do not include rest periods posted in accordance with question 14 (b) of this Questionnaire, during which the persons are not at the disposal of the employer?

If not, what other definition do you propose?

(b) Do you consider that the Draft Convention or Recommendation should lay down a general weekly maximum of hours of work for the whole staff in all the undertakings covered?

If so, do you consider that such maximum should be 48 hours per week?

If not, what maximum do you propose?

What do you understand to be the definition of "week"? Do you consider that it is seven days?

(c) Do you consider that the Draft Convention or Recommendation should include a general provision to permit the distribution of hours of work over a period longer than one week, on condition that

the average hours of work do not exceed the prescribed normal maximum?

If so, in what circumstances and under what restrictions?

(d) In addition, do you consider it necessary to lay down a daily maximum?

If so, do you consider that such maximum should be 8 hours per day? If not, what maximum do you propose?

(e) Do you consider that the hours of work per week should be able to be so arranged as to allow for a half-day holiday in the week?

Do you consider that the weekly half-day holiday should, as far as possible, come immediately before or immediately after the day of the weekly rest and that the latter should, as far as possible, fall on Sunday?

(f) Should it be permissible to work the general weekly maximum of hours of work in four or five days?

Special Arrangements.

8. Do you consider that the Draft Convention or Recommendation should lay down daily or weekly maximum higher than the normal maxima persons employed on certain classes of work or in certain kinds of undertakings?

If so, for what classes of work and for what kinds of undertakings, and what maxima do you propose?

9. Do you consider that the Draft Convention or Recommendation should lay down daily or weekly maxima lower than the normal maxima for persons employed on certain classes of work or in certain kinds of undertaknigs?

If so, for what classes of work, and for what kinds of undertakings, and what maxima do you propose?

Making up Lost Time.

10. Do you consider that the Draft Convention or Recommendation should permit the making up of lost time?

If so, in what circumstances and under what restrictions?

What do you understand by "lost time"?

Temporary Exceptions.

11. Do you consider that the Draft Convention or Recommendation should permit the normal daily or weekly maxima to be temporarily exceeded:

(a) in case of accident and in case of "force majeure";

(b) to prevent the loss of perishable goods;

(c) for such special work as stocktaking and periodical balancing of accounts;

(d) in case of exceptional pressure of work; what do you understand by the word "exceptional"?

(e) in what other circumstances, if any?

12. To what conditions and restrictions should the above exceptions be subjected in the Draft Convention or Recommendation?

In particular, do you consider that all such exceptions should be laid down by national regulations issued by the competent authorities after consultation with the organisations of employers and employees concerned, where such exist?

Should overtime for exceptional pressure of work be paid for at higher rates? Do you consider that this should also apply to other hours covered by temporary exceptions? If so, do you consider it necessary to lay down the higher rate or rates in the Draft Convention or Recommendation? If so, what rates do you propose?

Equivalent Arrangements.

13. Do you consider it desirable to include in the Draft Convention a clause allowing exemption from the provisions of the Convention for persons who, by virtue of agreements between the employers concerned or the association of employers and the associations of employees where such exist, or, in the absence of agreements, by virtue of custom or practice, are covered by arrangements in regard to hours of work which on the whole are better than, or are at least as favourable as, those laid down in the Convention?

If so, what guarantees do you consider it necessary to stipulate in order to ensure that any such arrangements are better than, or are at least as favourable as, those laid down in the Draft Convention?

Enforcement.

14. Do you consider that the Draft Convention should lay down measures to be taken for its enforcement?

If so, do you consider that every employer should be required:

(a) to notify in some appropriate manner approved by the Government the times at which work is to begin and end;

(b) to notify in the same manner the rest intervals allowed during working hours which are not reckoned as part of the working hours;

(c) to keep a record of all overtime worked as well as of the amounts of the higher rates paid in respect thereof in a register in the manner approved by national law?

What other measures, if any, do you propose?

15. Do you consider that the Convention should provide for adequate Government inspection of all places in which persons are employed to whom the Convention applies?

16. Do you consider that a clause should be included in the Draft Convention specifying certain particulars which should be given in the annual reports provided for in Article 408 of the Treaty?

If so, what particulars do you propose?

APPENDIX TO THE QUESTIONNAIRE

Addenda to Question 3.

(i) To 3 (a):

What definition do you propose for commercial and trading undertakings?

(ii) To the whole Question.

1. Do you consider that the scope of application of the Draft Convention should include technical employees such as ship designers and surveyors, naval architects, analytical and research chemists, assayers, metallurgists, laboratory attendants, sculptors, engravers? If so, do you consider that special provision should be made for such categories?

2. Do you consider that the scope of application of the Draft Convention should include persons employed in connection with indoor amusements, such as theatres, music-halls, cinemas, exhibitions? If so, do you consider that special provision should be made for that category?

3. Do you consider that the scope of application of the Draft Convention should include persons employed in connection with outdoor amusements? If so, do you consider that special provision should be made for that category?

4. Do you consider that the scope of application of the Draft Convention should include persons employed in connection with outdoor amusements? If so, do you consider that the scope of application should include officials of voluntary associations such as political associations, industrial, trade and professional organisations, religious organisations and societies, welfare assocations? If so, do you consider that special provision should be made for that category?

5. Do you consider that the scope of application of the Draft Convention should include persons employed as clerks? Should there be special provision in respect of the class of establishment in which they are employed, as for example, banks, insurance offices, stockbrokers' offices, central or local government departments, merchants' offices, etc.? If so, what provisions do you consider to be necessary?

6. Do you consider that the scope of application of the Draft Convention should include persons employed in wholesale and retail shops and warehouses? If so, should special provision be made according to the classes of the goods sold?

7. What do you understand to be included in the expression "wholesale and retail shops and warehouses"?

8. Do you consider that the scope of application of the Draft Convention should include refreshment houses of all kinds? If so, do you consider that special provision should be made for that category?

9. Do you consider that the scope of application of the Draft Convention should include hotels and boarding houses? If so, do you consider that special provision should be made for that category?

10. Do you consider that the scope of application of the Draft Convention should include persons employed as insurance agents and

itinerant salesmen other than commercial travellers (a) without any offices other than their own houses, (b) other? If so, do you consider that special provision should be made for such categories?

11. Do you consider that the scope of application of the Draft Convention should include persons employed as street newspaper sellers? If so, do you consider that special provision should be made for that category?

12. Do you consider that the scope of application of the Draft Convention should include persons employed as commercial travellers, enquiry agents, canvassers? If so, do you consider that special provision should be made for such categories?

13. Do you consider that the scope of application of the Draft Convention should include clubs (a) proprietary, (b) non-proprietary? If so, do you consider that special provision should be made for such categories?

14. Do you consider that the scope of application of the Draft Convention should include teachers in any educational institutions? If so, do you consider that special provision should be made for that category?

15. Do you consider that the scope of application of the Draft Convention should include journalists? If so, do you consider that special provision should be made for that category?

16. Do you consider that the scope of application of the Draft Convention should include librarians? If so, do you consider that special provision should be made for that category?

17. Do you consider that the scope of application of the Draft Convention should include persons employed by film producers and distributors? If so, do you consider that special provision should be made for that category?

18. Do you consider that the scope of application of the Draft Convention should include persons employed by professional men such as barristers, solicitors, architects, doctors, auctioneers, accountants? If so, do you consider that special provision should be made for such categories?

19. Do you consider that the scope of application of the Draft Convention should include persons employed in hospitals, clinics, nursing homes, mental institutions, poor law institutions? If so, do you consider that special provision should be made for that category?

20. Do you consider that the scope of application of the Draft Convention should include persons employed as nurses and midwives in private houses? If so, do you consider that special provision should be made for such categories?

21. Do you consider that the scope of application of the Draft Convention should include sports officials and players including the staffs of racing stables and jockeys? If so, do you consider that special provision should be made for such categories?

22. Do you consider that the scope of application of the Draft Convention should include persons employed by undertakers? If so, do you consider that special provision should be made for that category?

Addenda to Question 6.

(i) Do you consider that persons occupying a post of manager or legal representative of an undertaking, of a body having legal personality or of any other body should be excluded from the scope of application of the Convention?

(ii) Do you not consider that persons occupying a post of a confidential, managerial or supervisory character should be excluded?

No. 2165 Dated 3rd. October 1929.

From Chamber to the Director of Information and Labour Intelligence, Bombay

I am directed to acknowledge receipt of your letter No. 2241, dated the 19th September 1929, on the above, and to send hereby the views of the Committee of this Chamber regarding the same.

My Committee have noted from the Red Report regarding the hours of work of salaried employees sent to them by the International Labour Conference that though the employers' group opposed the inclusion of the question in the Agenda it was ultimately included and the Conference proceeded even to complete the first stage in the process by which a particular question ultimately assumes the form of a

Convention or a recommendation. The first stage is the preparation of a draft questionnaire which has now been sent to my Committee, as it must have been to several employers' and labour organisations in the country.

My Committee cannot help protesting against the manner and method in which questions involving delicate and complicated matters are being rushed at by the International Labour Conference. Government cannot be unaware of the fact that Indian employers have responded in a spirit of co-operation to various proposals which have emanated from Geneva for the amelioration of conditions of Labour, and this responsiveness on their part has been appreciated even by the authorities of the Labour Conference. My Committee believe, however, that a time has now come for crying halt to some of the suggestions and the present reference before them is an instance in point where they believe Indian employers cannot proceed further than what they have done already. The very first Convention passed at Washington in 1919 dealt with the hours of work in industrial undertakings and that Convention laid down in Article X that

> "In British India the principle of a sixty-hour week shall be adopted for all workers in the industries at present covered by factory acts administered by the Government of India, in mines and in such branches of railway work as shall be specified for this purpose by the competent authority. Any modification of this limitation made by the competent authority shall be subject to the provisions of Articles 6 and 7 of of this Convention. In other respects the provisions of this Convention shall not apply to India, but further provisions limiting the hours of work in India shall be considered at a future meeting of the General Conference."

This Convention was ratified by the Indian Legislature later on and the Article was embodied in an amendment to the Factory Act. It is now proposed to extend the principle of this limitation of hours of work to all undertakings which were not included in the industrial undertakings to which the Washington Convention was made applicable. Thus the questionnaire sent to my Committee refers to com-

mercial and trading undertakings undertakings which are both industrial and commercial, public administrative services, even institutions for the prevention and curative treatment of the sick, infirm, etc., theatres and places of public amusement, hotels, clubs, cafes, restaurants, etc. My Committee fear that the questionnaire is of a revolutionary character so far as the trading and commercial conditions in this country are concerned. The peculiarly economic conditions which have been prevalent in this land for a long time make it impossible for the present to accept in any form or extent the suggestions made in the questionnaire. Excepting perhaps in bigger cities; shops in hundreds of thousands of villages are a one-man show and are generally proprietary concerns. They are looked after by the proprietor and his family and for all practical purposes are their homes. In fact, in all the villages and even in a majority of towns and cities these shops are the same as the homes of the shopkeepers. Generally the front room is used for the purpose of his shop and the back part for residential purposes. It is very difficult, if not impossible to lay down in such cases how long the man should sit in his shop, when he should open and when he should close it. Not only this, but if with regard to all these villages it is laid down that they should open and close at a particular hour such a provision will inflict needless inconvenience, annoyance and harrassment to the people of the villages and to some extent impossible to carry it out. Conditions even in bigger towns and cities do not differ much from the conditions existing in villages, though in Presidency towns and towns of trading, commercial and industrial importance conditions are to some extent different. Nowhere, however, will it be found possible to apply, for the present, the rule rgarding restrictions of hours of work in commercial undertakings. It is notorious that the percentage of literacy in this country is very low amongst males and practically negligible amongst females, and the development of trade and industries has not proceeded at that rapid rate and in that scientific manner which are to be found in Western countries, thanks to the reactionary economic policy of Government which has retarded rather than developed the indigenous trade and industries.

My Committee believe that the progress of education and the development of trade and industries will bring about a change in

the present system automatically and would strongly recommend that the pace must not be forced. There was a proposal before the 1921 session of the International Labour Conference regarding a weekly day of rest for employees in commercial and trading firms, and then too my Committee were put to the painful necessity of pointing out the impracticability of the proposal so far as this country was concerned. My Committee may be allowed also to point out how even advanced and civilised countries like France were obliged to protest when it was proposed to bring agricultural operations within the province of the International Labour Conference in 1921 and the proposal, so far as they are aware, was dropped because of the French protest.

Under these circumstances, my Committee request Government to be pleased to convey these views to the Government of India and to request them to protest against any Convention or recommendation being made on the lines suggested in the questionnaire. From their experience of the working of the International Labour Conference, they have found that when a questionnaire has once been drafted it is followed by a Convention or recommendation at the next Session, to which Member-bodies are afterwards supposed to owe their allegiance. It is hoped, therefore, that the Government of India will not only protest to the International Labour Conference while sending their report, but would instruct their Delegates when they go to the next session to oppose any Convention or recommendation that may be based upon the questionnaire.

APPENDIX CII

FORCED LABOUR—QUESTIONNAIRE ISSUED BY THE INTERNATIONAL LABOUR OFFICE.

From the Director of Information and Labour Intelligence, Bombay to Chamber

In accordance with the instructions of Government, I have the honour to forward herewith 12 copies each of a letter No. L1548 dated Simla the 20th September 1929 from the Deputy Secretary to the Government of India in the Department of Industries and Labour to the Secretary to the Government of Bombay in the General De-

partment, and of the Questionnaire issued by the International Labour Office on the above subject, and to request you to be good enough to send me the views of your Chamber if any, on the various questions incorporated in the Questionnaire by the 15th instant at the latest. I regret that it will not be possible for me to take into consideration any views not submitted by that date because the whole case has to be submitted by the Local Government to the Government of India by the 25th October at the latest.

2. I would suggest that in submitting your views it would considerably facilitate my work in summarising the views given by various persons and bodies under each question if your replies were given seriatim in the order in which the questions appear.

Copy of a letter No. L1548 dated Simla the 20th September 1929 from the Deputy Secretary to the Government of India in the Department of Industries and Labour to the Secretary to the Government of Bombay in the General Department.

I am desired to say that in accordance with the "double discussion" procedure, the preliminary discussion on the subject of Forced Labour took place at the Twelfth Session of the International Labour Conference, which decided on the form of the Questionnaire to be issued to the States Members of the International Labour Organisation. The final decision as regards the proposed Draft Convention and Draft Recommendation on the subject will be taken at the Fourteenth Session, which will probably begin in May 1930. In accordance with the Standing Orders of the Conference, the International Labour Office, after making such drafting alterations as may be necessary in the Questionnaire approved by the Conference, has submitted to Governments a red pamphlet containing the questionnaire on the subject. A copy of this pamphlet is enclosed herewith. I am to explain that the replies to be made to the Questionnaire by the Government of India are in no way binding on them, and will not preclude them from giving instructions in a different sense to their delegates to the Fourteenth Session of the Conference, but the replies given by the various Governments will determine the nature of the proposals which will be put up by the International Labour Office to the Conference for final decision.

2. The extent to which forced labour prevails in British India is described in paragraphs 71, 72, 73, 197 and 255 of the Grey Report on Forced Labour published by the International Labour Office early this year (extracts attached). A copy of the Report is enclosed herewith. Labour may be impressed in British India including British Baluchistan for various public works and local purposes under the legal sanction of such Acts as

1. The Northern India Canal and Drainage Act, 1873 (Act VIII of 1873), ...
2. The Indian Forest Act, 1927, (XVI of 1927),
3. The Bengal Regulation, XI of 1806,
4. The Bombay Irrigation Act, 1879, (Act VII of 1879),
5. The Madras Compulsory Labour Act, 1858, (Act I of 1858),
6. The Madras Forest Act, 1882, (Act V of 1882),
7. The Punjab Minor Canals Act, 1905, (Act III of 1905),
8. The Hazara Forest Regulation, 1911, (No. III of 1911),
9. The Frontier Crimes Regulations, 1901, (No. III of 1901), and
10. The Burma Village Act, 1907, (Act VI of 1907).

The use of forced labour for private purposes is not countenanced by law in British India. The Government of India will be glad to be furnished with any further information which may be in the possession of the Local Government regarding the existence of forced labour in British India beyond what is described in the Grey Report and what may be utilised under the Acts and Regulations named above, due reference being made to the definition of forced labour contained in Question 3 of the Questionnaire.

3. On humanitarian grounds, the Government of India propose to adopt through their delegates to the Fourteenth Session a sympathetic attitude towards the proposal for the adoption of a Draft Convention on Forced Labour. The first part of Question 1 of the enclosed Questionnaire, however, indicates the possibility of a Draft Convention the object of which would be to suppress the use of forced or compulsory labour in all its forms either with or without a transition period. The Government of India doubt whether it would be possible for India to subscribe to a Convention of this nature, the ratification

of which by a State would involve the suppression in its territory of all forms of forced or compulsory labour other than those necessary during emergencies (vide Question 4) and traditional village services (vide Question 5). They propose accordingly to answer first part of Question 1 in the negative and to answer the last part in the affirmative, i.e., they would prefer a Draft Convention to limit and regulate the use of forced or compulsory labour for public or local purposes and to prohibit the use of such labour for private purposes, to a convention which would prohibit forced or compulsory labour for any purpose whatever. The Government of India are inclined to think that the answer to Question 2 should be in the affirmative, and that the definition of "forced labour" given in Question 3 is suitable. In connection with the latter question I am to draw attention to the report of the Committee at page 11* of the red pamphlet from which it will be seen that the word "penalty" used therein is intended to embrace any penalty or punishment inflicted by any person or body whatever. The proposal underlying Question 6 (a) presents considerable difficulty, as its application in India would cause unnecessary centralization, apart from possible constitutional objection on the ground that many of the subjects under which recourse may be had to forced labour under the existing law are provincial subjects. The Government of India are accordingly provisionally of opinion that the answer to part (a) of Question 6 should be in the negative, and that the difficulties in India in the way of the proposal should be explained in the reply. It is to be noticed, however, in this connection that there is nothing in this part of the question to forbid the delegation of some powers in regard to forced labour to local authorities, by legislation or otherwise, but that the responsibi-

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*The following is the relevant extract:—

"A motion to add "or obligation" after "penalty" was rejected as being possibly too wide. The further suggestion was made that "penalty" in English might be interpreted in a strict sense to mean punishment inflicted by a court of justice. The Committee was unanimous in holding that any penalty or punishment, inflicted by any person or body whatever, is intended to be meant by the use of the word "penalty" here."

lity for its recourse is to rest on the central authority or the metropolitan authority, as the case may be. It would also appear undesirable to reply to part (b) of this question in the affirmative, but the proposal underlying part (c) does not appear to be open to objection.

4. The criteria suggested in Question 7 appear to be suitable. As the intention is that, if any Draft Convention on Forced Labour is ultimately ratified by India, the ratification will be in respect of British India only, the Government of India are inclined to think that their answer to Question 9 might be in the affirmative. Question 12 suggests, the abolition, as soon as possible, of all forced labour demanded as an equivalent to or as a substitute for a tax. As far as the Government of India are aware, such labour is exacted by Government in British India only in certain parts of the Santal Parganas and Singhbhum, in Bihar and Orissa, where Government, instead of imposing local taxation, require the village communities to maintain each their own share of the public roads and minor public buildings in the immediate neighbourhood of their homes. The proposal which Question 13 seeks to advance, though likely to cause considerable trouble in India, do not appear to the Government of India to be open to objection on principle. As regards Question 14, the Government of India doubt whether the existing factory inspection staff could be expected to take over the inspection of forced labour. It would be more convenient in India to impose such duties on District Magistrates and the Government of India propose to say in their reply that the proposed Convention should leave it open to the ratifying States to adopt whatever adequate measures they consider best to assure that the regulations governing the employment of forced labour are strictly applied. There is no difficulty about answering Question 15 in the affirmative, as Section 374 of the Indian Penal Code makes it a penal offence unlawfully to compel a person to labour against his will. The conditions suggested in Question 16 appear to be suitable, with the exception that in India it may not always be practicable to have persons medically examined before they are called on to perform forced labour for public purposes. At the same time, such medical examination would, in general, be desirable on humanitarian grounds, regard being had to the fact that the proposed Convention

will apply to the much severer forms of forced labour exacted by certain Governments on the Continent of Africa. The Government of India are provisionally of opinion that Questions 17, 18 and 19 may be answered in the affirmative. The first part of Question 20 would, if its principle is finally accepted, give forced workers in India shorter normal working weeks and working days than are enjoyed by voluntary workers, but the Government of India do not think that the principle need be objected to on this ground. The application in India of the principles underlying parts (c) to (f) of Question 23 would give rise to difficulty in India, where there is no compulsory scheme of sickness benefits or family benefits. Though the principles may have justification on humanitarian grounds, it will scarcely be justifiable to give to forced labourers privileges which voluntary labourers do not enjoy, and the Government of India think that these parts of Question 23 may be answered in the negative. Question 24 would appear to have little application to such forced labour as is legalized for public purposes in British India. Question 25 in important, as it includes in its scope forms of forced labour performed in connection with the touring of officials in certain parts of British India, where the supply of voluntary labour for the purpose is insufficient. The Government of India consider that the principle put forward in this question should be accepted on humanitarian grounds. Part B of the Questionnaire does not seem to call for comment.

5. I am to request that any information which the Local Government may be able to give regarding forced labour in their territory and any suggestions which they may have to make regarding the nature of the replies which the Government of India should make to the Questionnaire may kindly be forwarded so as to reach this Department not later than the 25th October 1929.

Extracts from the Grey Report on Forced Labour referred to in para 2 of the letter.

"71. **Public Works.**—In Bihar and Orissa in British India, compulsory work is exacted by the Government in certain aboriginal areas in connection with the upkeep of public roads and minor public buildings in the vicinity of the village community from which the labour is levied. It is not quite clear how far this work may be re-

garded as being performed for general public purposes as distinct from local public purposes*.

The situation in the Indian States is not clear. A question was asked in the British House of Commons in February 1927 as to the number of cases in which representations had been made by the Government of India to Indian rulers in respect of forced labour in their States, but the reply afforded no information as to whether forced labour for public works was, in fact, employed in any of the territories in question."

"72. **Porterage.**—In British India, under Bengal Regulation XI of 1806, the landholders of places through which troops, military officers, or other travellers are passing are bound, on requisition of the local civil authority, to provide carts, bearers, coolies and necessary supplies for payment of rates fixed by that authority. It is stated that the Regulation is now very rarely, if ever, used, as both military units and civil officers have their own means of transport.

No information is available as to conditions of porterage for general public purposes in the various Indian States."

*See also para 197, where a fuller account of this labour is given.

"73. **Emergencies.**—In British India, labour may be impressed to avert sudden and serious damage to irrigation works under the following Acts: the Northern India Canal and Drainage Act, 1873, S. 64 and 65 the Bombay Irrigation Act, 1878, (S. 58 and 59 the Punjab Minor Canals Act 1905, (S. 54) and the Madras Compulsory Labour Act, 1858.

The first two Acts provided for the preparation of lists of holders of land benefited by the irrigation work who are liable to furnish such labour. All four of the Acts provide that the labour must be paid for at a rate which is equal to (in Northern India, greater than) the full market rate. Penalties are imposed for non-compliance.

Under the Punjab Minor Canals Act, irrigators are bound, either by the conditions under which they hold their lands or by established custom, to furnish labour free of cost for the annual silt clearance and for the general maintenance of a number of minor canals. Fur-

ther, under the provisions of Chapter VI of the Madras Compulsory Labour Act, members of a village community are bound to contribute labour for those works of irrigation and drainage which are usually executed by the joint labour of the community.

Holders of rights in Government forests are liable to be called out to assist in extinguishing or preventing extension of fires. In such cases there is no provision for payment, and penalties are provided in cases of non-compliance with the requisition.

The office has no information as to the levying of forced labour in cases of emergency in the Indian States."

"197. In Bihar and Orissa (British India) compulsory labour is exacted by the Government in certain aboriginal areas. In parts of the Santal parganas (districts) and of Singhbhum, the Government, instead of imposing local taxation, require village communities to maintain each their own share of the public roads and minor buildings in the immediate neighbourhood of their homes. The distribution of work is left to the village headman, the work is done at the leisure of the villagers, and the method is considered appropriate to the state of economic and political development of these areas*.

The International Labour Office has no information concerning the levying of forced labour for local public purposes in the Indian States".

"255. **Labour dues for landholders.**—Forced labour for private purposes is not countenanced by the Government of India. Mention must be made, however, of the labour dues which are exacted in many parts of India, under ancient custom, by landholders from tenants and agricultural labourers. In most, if not all, cases the duty of providing this labour carries corresponding rights. Thus an agricultural tenant or labourer usually has the right to free grazing on the landholder's ground, to cut wood and thatching grass for the construction and repair of his house and well, and to the free occupation of the land on which his house stands. Similarly, a low-caste labourer who works in leather has the right to the skins of all cattle dying in the village.

In parts of Bihar and Orissa, the landholder's right to a certain number of days of unpaid labour has been commuted for an addi-

tion to the rent of the agricultural tenants liable to the performance of such labour. In the United Provinces, orders have been issued that no mention of forced labour is to find a place in the village record of rights. The practice of exacting labour of this kind is diminishing year by year as the general feeling of the people is against it.

*See also para 71.

The Penal Code provides (S. 374) that any person who unlawfully compels a person to labour against the will of that person may be punished with imprisonment with or without hard labour for a period not exceeding one year or with a fine, or with both. It appears that this provision is intended to put a stop to the practice of forced labour which was, and is still to a certain extent, in vogue and is aimed at the abuses arising from forced labour which ryots were in former times compelled to render to great landholders."

QUESTIONNAIRE ISSUED BY THE INTERNATIONAL LABOUR OFFICE ON FORCED LABOUR.

(Item I on the Agenda for the Fourteenth Session of the Conference to be held in Geneva in 1930).

A.—Questions tending to the Adoption of a Draft Convention General.

1. Do you consider that the International Labour Conference should adopt a Draft Convention, the object of which is to suppress the use of forced or compulsory labour in all its forms?

If so, do you consider that a period of transition is necessary before such suppression can be fully carried out?

If you do not consider it possible to adopt a Draft Convention, the object of which would be to suppress the use of forced or compulsory labour in all its forms, or if you consider that suppression is possible, but that a period of transition is necessary.

Do you consider that the International Labour Conference should adopt a Draft Convention the object of which be to limit and regulate the use of forced or compulsory labour?

2. Do you consider that such a Convention should be drafted in such a way that its ratification by a State should imply, for the

colonies and protectorates of that State, the application of the Convention without the reserves or modifications provided for in Article 421 of the Treaty of Peace?*

(*See Appendix.)

3. Do you agree with the following definition of forced or compulsory labour for the purposes of such a Convention:

"All work or service which is exacted from any person under the menace of any penalty for its non-performance and for which the worker does not offer himself voluntarily?"

Exceptions from Scope of Convention

4. Do you consider that cases of emergency (force majeure) should be outside the scope of the Convention?

If so, do you approve of the following definition of "cases of emergency":

"A case of emergency, for the purposes of this Convention, is the event of war and any occurrence which endangers the existence or the well-being of the whole or a substantial part of the population, such as fire, flood, famine, earthquake, violent epidemic or epizootic diseases, invasion by animal, insect or vegetable pests, and so on"?

5. Do you consider that village services of a kind which have been traditional and customery amongst the local inhabitants, and which are performed within the close proximity of the village by the people who live in it, may be considered to be normal obligations incumbent upon the members of the community and not constituting forced or compulsory labour within the sense of the definition given in Question 3 above?

Authorities Responsible for Recourse to Forced of Compulsory Labour.

6. (b) Do you consider that the authority responsible for any recourse to forced or compulsory labour should be an authority of the metropolitan country, or, when that is not possible, the highest central authority in the territory concerned?

(b) Do you consider that, where higher authorities delegate to subordinate authorities the right of authorising forced labour for local public purposes, this practice should cease?

(c) Do you consider that the competent authority should define precisely, in so far as this has not already been done, the conditions under which forced or compulsory labour should be carried out under the control of minor and local authorities, and that these conditions should, in regard to the category of persons liable, the maximum duration for any individual, working hours, payment, indemnities, and inspection, be not more onerous than those indicated in this Questionnaire for putting into execution forced labour imposed by the competent authority itself?

Criteria to be satisfied before Recourse is had to Forced or Compulsory Labour

7. Do you consider that the competent authority, before permitting any recourse to forced or compulsory labour, except the compulsory labour mentioned in Question 12, should be satisfied:

(a) that the work to be done or the service to be rendered is of important direct interest for the community called upon to do the work or render the service;

(b) that the work or the service is of present or imminent necessity;

(c) that it has been found impossible to obtain voluntary labour for carrying out the work or the service by the offer of the rates of wages ruling in the area concerned for similar work or service; and

(d) that the work or service under consideration will not lay upon the present population concerned too heavy a burden, having regard to the labour available and its capacity to undertake the work?

Forced or Compulsory Labour for Private Employers

8. Do you consider that in no case whatever should be competent authority impose or permit the imposition of forced or compulsory labour for the benefit or private individuals, companies, or other entities than the community?

Are you of opinion that where such forced or compulsory labour exists, every effort should be made to bring it to an end as soon as possible?

Are you further of opinion that a time limit for such abolition should be fixed, and if so, what time limit would you propose?

9. Do you consider that, where forced or compulsory labour is demanded by chiefs who exercise administrative functions in consequence of traditional rights, this practice should be abolished as soon as possible, and that, until it is abolished, Administrations should ensure that such labour should be directed to public purposes and that the conditions under which it is carried out should be regulated in the same manner as is work of a similar nature done under the compulsion of the administrative authority?

10. Do you consider that whilst it is the duty of officials of the Administration to encourage the population under their charge to engage in some form of labour, they should not be permitted to put constraint upon them to work for private employers?

11. Do you consider that no concessions granted to individuals or companies should permit any form of compulsion for the obtaining of the products which such individuals of companies utilise or in which they trade; and that, where such concessions already exist, (a) they should not be renewed except in such a way as to terminate any arrangements of this kind, and (b) every effort should be made to change, in the same way and as early as possible, existing concessions which are not yet due for renewal?

Forced or Compulsory Labour as Tax or in lieu of Tax

12. Do you consider that, where forced or compulsory labour is demanded as an equivalent to or a substitute for a tax, this practive should be abolished as soon as possible, and that until it is abolished the competent authority should be satisfied:

(a) that the work to be done or the service to be rendered is of important direct interest for the community called upon to do the work or render the service?

(b) that the work or service is of present or imminent necessity?

(c) that the work of service under consideration will not lay upon the present population concerned too heavy a burden having

regard to the labour available and its capacity to undertake the work?

(d) that the workers while performing their work remain in the neighbourhood of their homes?

(e) that the execution of the work or the rendering of the service shall be directed by the local authorities in accordance with the exigencies of religion, social life and agriculture?

Protection of Forced Workers

13 (a) Do you consider that in any area where forced or compulsory labour still exists, complete and precise regulations should be adopted, in so far as this has not already been done, in regard to the organisation of this labour, and that such regulations should provide for the compiling and recording of statistics concerning it, in particular as regards the organisation of work and the hours of work and the method of payment of wages?

(b) Do you consider that in any territory where forced labour exists the legal provisions or administrative orders governing its application should be printed (and freely exhibited) by the competent authority in such one or more native languages as will convey its import to the workers concerned and the population from which the workers are to be drawn; and that copies of such printed matter should be made available, at cost price, to the workers or others?

(c) Do you consider that a definite procedure should be established to allow forced workers, as well as all other native workers, to present all their complaints relative to the conditions of labour to the authorities and to negotiate concerning them?

14. Do you consider that the duties of any existing labour inspectorate which has been established for the inspection of voluntary labour should be extended to cover the inspection of forced labour, and that, in the absence of such an inspectorate, other adequate measures should in all cases be taken to assure that the regulations governing the employment of forced labour are strictly applied?

15. Do you consider that the illegal exaction of forced labour should be punishable as a penal offence, and that the penalties should be really adequate?

Exemptions from Forced or Compulsory Labour

16. Do you consider that only adult males of not less than 18 years should be called upon for forced or compulsory labour, subject to the following limitations and conditions:

(a) Prior determination by a Government medical officer that the persons concerned are not suffering from any contagions disease and that they are physically fit for the work required and for the conditions under which it is to be carried out;

(b) Exemption for persons already bound by a contract of employment;

(c) Exemptions for school teachers and pupils;

(d) The maintenance in each community of the number of adult able-bodied man indispensable to family and social life;

(e) Respect for conjugal and family ties?

17. Do you consider that from any given community no more than a fixed proportion of the resident able-bodied males should be taken at any one time for forced or compulsory labour which entails their sleeping away from their homes?

Do you consider that this proportion should be regulated according to the seasons and the work which must be done by the persons concerned on their own behalf in their locality, and, generally speaking, that the economic necessities of the normal life of the community in question should be respected?

Do you consider, finally, that this proportion should be prescribed, and what proportion do yoiu suggest?

Regulation of Forced or Compulsory Labour.

1. Duration

18. Do you consider that the normal maximum period for which any individual may be taken for forced or compulsory labour of all kinds should not exceed 60 days in any one period of 12 months, including the time spent in travelling to and from work,

or in exceptional cases where workers have to be brought from a considerable distance, 6 months in any one period of 24 months, it

being understood that in this period will be included the time employed in the work contemplated in Question 12, and that any two such periods occurring in consecutive terms of 24 months should be separated by an interval of at least 3 months?

In cases where workers have to be brought from a considerable distance, do you consider that the individual worker who has served in any one year for a longer period than the normal maximum of 60 days fixed above, or than any lower maximum which may be fixed, should be exempt from further forced or compulsory labour for a number of years equal to the number of times the normal maximum which he has so served?

Do you consider that the normal maximum period for which any individual may be taken for the work or service contemplated in Question 12 should not exceed 30 days in any one period of 12 months?

II. Habituation

19. Do you consider that forced workers should not, except in cases of special necessity, be transferred to districts where the food and climate differ so considerably from those to which they have been accustomed to endanger their health?

Do you consider that in no case should the transfer of workers be permitted unless all necessary measures for the accommodation and health of the workers can be strictly applied?

When such transfer cannot be avoided, do you consider that, on competent medical advice, measures of gradual habituation to the new conditions of diet and of climate should be adopted?

Do you consider that, in cases where forced workers are required to perform regular work to which they are not accustomed, measures should be taken to assure their habituation to it, especially as regards progressive training, the hours of work and the provision of rest intervals, and the increase or amelioration of diet which may be necessary?

III. Working Hours

20. Do you consider that the normal working hours of forced workers should not exceed eight per day and forty-eight per week, and that the hours worked in excess of these should be remunerated at rates higher than the rates for the normal working hours?

Do you consider that a weekly day of rest should be provided for and that this day should coincide as far as possible with the day fixed by tradition or custom in the territories or regions concerned?

21. In the case of forced transport workers, do you consider that the normal daily journey should correspond to an average eight-hour working day, it being understood that account shall be taken not only of the distance covered, but also of the nature of the route, the season of the year, the weight to be carried and all other relevant factors, and that where hours of journey in excess of eight per day are exacted they should be remunerated at rates higher than the normal rates?

IV. Wages

22. Do you consider:

(a) that forced or compulsory workers, including transport workers, should in all cases be paid in cash at rates not less than those ruling for similar kinds of work either in the district in which they are employed or in the district from which they are recruited, whichever may be higher?

(b) that the wages should be paid to the workers individually and not to their tribal chiefs or other authorities?

(c) that the days necessary for travelling to and from the workplaces should be counted for the purpose of payment as working days?

(d) that deductions from wages should not be made either for the payment of taxes or for special food, clothing or accommodation supplied to the worker for the purpose of maintaining the worker in condition to carry on his work, nor for the supply of tools?

V. Workmen's Compensation

23. Do you consider:

(a) that any laws relating to workmen's compensation for accidents or sickness arising out of the circumstances of their employment shall be equally applicable to forced as to voluntary labour?

(b) that the laws providing compensation for the dependants of dead or incapacitated workers should be equally applicable to all labour whether forced or voluntary?

(c) that the competent authority or any authority employing forced workers should be obliged to ensure their subsistence when an accident or illness renders such workers totally or partially incapable or providing for themselves?

(d) that when the forced worker is not living at his own home no distinction should be made as to whether or not the accident or illness was caused by his work?

(e) that in the case of permanent incapacity, total or partial, the right to an indemnity calculated according to the degree of incapacity should be ensured?

(f) that the competent authorities should take measures to ensure the maintenance of dependents of an incapacitated or deceased forced worker?

(g) that any existing laws or administrative orders concerning compensation or indemnification for sickness, injury to, or death of forced workers should be printed, exhibited and offered for sale by the competent authority, in the manner provided for in the case of the laws and orders concerning forced or compulsory labour?

Special Precaution for Work of Long Duration

24. (a) Do you consider that when forced workers, other than forced transport workers, are compelled to remain for considerable periods for works of construction or maintenance at workplaces, measures should be taken to assure their health and to guarantee the necessary medical care, and that in particular (i) they should be medically examined before commencing the work and at fixed intervals during the period of service, (ii) an adequate medical staff be provided with the dispensaries and hospital accommodation necessary to meet probable eventualities, and (iii) the sanitary conditions of the workplaces, the supply of drinking water, food, fuel, and cooking utensils and, where necessary, of housing, and clothing should be assured?

(b) Do you consider that, when the work is prolonged, definite arrangements should be made to ensure the subsistence of the family of the forced worker, in particular by facilitating the remittance, by a safe method, of part of the wages to the family at the request of or with the consent of the worker?

(c) Do you consider that the journeys of forced workers to and from the workplaces should be at the expense and under the responsibility of the Administration, which should facilitate them by making the fullest use of all available means of transport?

(d) Do you consider that it is necessary to ensure the repatriation of forced workers at the expense of the competent authority in case of illness or accident causing incapacity to work of a certain duration?

(e) Do you consider that any forced worker who may wish to remain as a free worker at the end of his period of forced labour should be permitted to do so without losing his right to repatriation free of expense to himself?

(f) Do you consider that the competent authority should satisfy itself of the possibility of adequately taking all the measures indicated in this question before permitting any recourse to forced or compulsory labour?

Special Provisions concerning Forced Porterage

25. When recourse is had to forced or compulsory labour for the transport of persons or goods (porters, boatmen, etc) do you consider that the competent authority should promulgate regulations determining, 'inter alia,' (a) that only adult males, medically certified where medical examination is possible, to be physically fit, shall be employed on this work, (b) the maximum load, (c) the maximum distance from their homes to which these workers may be taken, (d) the maximum number of days per month or other period for which they may be taken, (e) the persons entitled to demand this form of forced labour and the extent to which they are entitled to demand it?

In this connection, what maximum load do you suggest, what maximum distance from their homes to which these workers may be taken, and what maximum number of days per month or other period for which they may be taken?

Compulsory Cultivation

26. Do you consider that recourse should be had to compulsory cultivation solely as a method of precaution against famine or a defi-

ciency of food supplies, and always under the condition that the food or produce shall, in lieu of wages, remain the property of the individuals of the community producing it?

Do you further consider that in no case should compulsory cultivation be imposed to promote the producsion of corps for export or as a measure of education?

Do you consider that it would be possible to devise measures of precaution against the contingencies indicated in the first paragraph of this question otherwise than by the introduction of a system of forced labour?

Cases in which Forced Labour should not be employed

27. Do you consider that "collective punishment laws" under which an entire community may be punished for misdemeanours committed by some of its members should contain no provision for forced or iomphlsory labour by the community as one of the methods of punishment?

28. Do you consider that forced labour should not be used for work underground?

A Permanent Committee

29. Do you consider that it would be advantageous to create a permanent committee of experts on forced labour in connection with the International Labour Office?

Do you consider that the reports made in virtue of Article 408 on the Convention concerning forced labour should be sent to this committee?

Do you consider that this Committee should be charged with the study of other problems created by forced labour?

B.—Questions tending to the Adoption of Recommendations

I.

Do you consider that the International Labour Conference should adopt a recommendation calling attention to important matters in connection with the economic development of as yet undeveloped areas with a view to avoiding such pressure upon the populations concerned as may amount to compulsion to labour?

If so, do you agree that the Recommendation should set out that the amount of labour available, the capacities for labour of the population, and the evil effects which too sudden changes in the habits of life and labour may have on the social conditions of the populations, are factors which should be taken into consideration in connection with economic developments, and, in particular, when deciding upon.

(a) increases in the number and extend of industrial, mining and agricultural undertakings in the area;

(b) the non-native settlement which is to be permitted, if any:

(c) the granting of forest or other concessions, with or without a monopolistic character?

II

Do you consider that the International Labour Conference should adopt a Recommendation deprecating resort for indirect means of artificially increasing the economic pressure upon populations to seek wage-earning employment, particularly by:

(a) impsing taxation on populations on a scale dictated by the intention of compelling them to work for the benefit of private enterprises;

(b) rendering difficult the gaining of a living in complete independence by workers by unjustified restrictions as to the possession, occupation, or use of land;

(c) extending abusively the generally accepted meaning of vagrancy;

(d) adopting pass laws which would result in giving the workers in the service of the others a position of advantage as compared with that of other workers?

III

Do you consider that the International Labour Conference should adopt a Recommendation calling attention to the necessity for so regulating demands for forced or compulsory labour as not to imperil the food supply of the community concerned?

IV

Do you consider that the International Labour Conference should recommend, in regard to forced or compulsory labour imposed upon men, that every care be taken that the burden of that labour is not passed on to women and children.

V

Do you consider that the International Labour Conference should recommend that every possible effort should be made to reduce the necessity or recourse to forced or compulsory labour for the transport of persons or goods and that, in particular, such recourse should be prohibited when and where animal or mechanical transport is available.

VI

Do you consider that the International Labour Conference should adopt a Recommendation deprecating restrictions based on the voluntary flow of labour to other employment, or to certain areas or industries?

APPENDIX.

Note by the Office on Question 2 in the Questionnaire.

International Labour Office has made it a rule to publish the texts of Questionnaires drafted by the Conference as far as possible without change or comment.

In this case, however, in order to avoid misunderstandings and subsequent difficulties, it is felt desirable to draw the attention of Governments to Question 2 in the Questionnaire. This question is as follows:

Do you consider that such a Convention should be drafted in such a way that its ratification by a State should imply, for the colonies and protectorates of that State, the application of the convention without the reserves or modifications provided for in Article 421 of the Treaty of Peace?

This question did not appear in the draft Questionnaire prepared by the International Labour Office. It was the Confer-

ence which decided to include the question in the Questionnaire to be addressed to the Governments. This decision of the Conference proceeded solely from a perfectly legitimate desire to ensure real reciprocity in the engagements arising out of the Convention contemplated. It is extremely important that ratification of the Convention should have the same legal effect for all the contracting States. If improper advantage were taken of Article 421, however, some States might find themselves bound, as a result of their ratification, to carry out the provisions of the Convention within their own borders, while other States which had also ratified were not applying the Convention to territories over which they exercise jurisdiction, and which might be contiguous to the State first mentioned, on the grounds of the colonial character of those territories. In other words, it would be anomalous that ratification of the Convention by different States should have an entirely different legal effect because some States were in a position to avail themselves of Article 421, and did so avail themselves, while others were debarred from taking advantage of the Article.

It is undoubtedly very important to avoid such inequality, and it was for this reason that the Conference felt it desirable to consider the possibility of drafting the Convention in such a way as to ensure that it would have the same effect for all States which ratify it and to exclude any reservations which would be calculated to create inequalities in the obligations assumed. Nevertheless, if the considerations which induced the Conference to add Question 2 to the Questionnaire were as stated above, it would seem desirable to consider what is the real scope of that question.

At first sight it might appear that Question 2 contemplates suspending Article 421 of the Treaty in respect of the proposed Convention. It is hardly likely, however, that the Conference had any such idea. It is clear that such a solution would raise serious legal objections. The provisions of Part XIII of the Treaty constitute the framework within which international labour Conventions have to be concluded. These provisions impose on the pre-legislative activity of the Conference limits which it ought not to go beyond, and it can hardly be imagined that a Convention should contain provisions sus-

pending the application of an Article which forms part of the constitutional law of the International Labour Organisation. Article 421 is on the same footing in the Treaty as the other provisions of Part XIII, and it would appear difficult for the Conference to decide that it should not be applied otherwise than by the procedure expressly laid down for amending the Treaty.

Moreover, it does not appear indispensable to suspend Article 421 in order to meet the considerations which the Conference had in view in framing Question 2, and the idea of such a suspension would seem to be based on a mistaken interpretation of the Article in question.

The exact meaning of Article 421 has never yet been clearly defined, the reason being that the Conventions hitherto adopted by the Conference have been mainly intended for application in metropolitan territories and their application in colonial territories has been considered a matter of secondary importance. This has led to some extent to a tendency to give to Article 421 an interpretation which it does not really bear, and to consider that its effect was to render the application of Conventions to colonies purely optional.

The scope of Article 421, however, is far from being so wide as this, and the adoption of Conventions which primarily affect colonial territories should furnish an opportunity for a stricter and proper application of the Article.

Under Article 421, the Members engage to apply Conventions which they have ratified to their colonies and protectorates (1) except where owing to the local conditions the Convention is inapplicable, or (2) subject to such modifications as may be necessary to adapt the Convention to local conditions. Further, Article 421 provides that the Members are to notify to the International Labour Office the action taken in respect of each of their colonies and protectorates.

Without entering into a detailed analysis of these provisions, it is to be noted that they in no way negative the legal effects of ratification as regards colonies. In respect of colonial as well as of home territories, ratification is a formal and definite international engagement which can only be revoked in the manner laid down by the Convention.

What then is the effect of Article 421? It is the Members which ratify a Convention are entitled to limit the effect of their ratification in respect of their colonies by what are really reservations. Such reservations may be geographical, i.e. a State may exclude one or other of its colonial territories from the effect of its ratification; or they may affect the substance of the Convention, i.e., a State may decide to apply only certain provisions of the Convention in its colonies or to modify its provisions in order to adapt them to local conditions. Once these reservations have been made, however, ratification takes effect within the limits fixed, an there is no ground for inferring from Article 421 that such ratification can subsequently be revoked or altered.

No doubt the possibility of making such reservations is sufficiently serious in itself. But it corresponds to the very special and complex nature of the problem of colonial labour, and it is clearly for this reason that the Treaty contains an exceptional provision in this matter. Besides, the disadvantages which might result from the reservations authorised by Article 421 should not be exaggerated, and in any endeavour to appreciate them it should not be forgotten that with or without reservations the States are free to negative the provisions of a Convention as a whole by refusing to ratify it.

In the circumstances it is questionable whether to suspend Article 421, supposing this to be legally possible, would be the only solution of the difficulties which led the Conference to frame Question 2. It is thought that other solutions might be found. It would appear, for instance, that a special clause might be inserted in the proposed Convention which would reconcile the provisions of Article 421 with the reciprocal effect which it is desired that the provisions of the Convention should have. No attempt will be made here to put forward definite suggestions. It may be pointed out, however, that in the view of the Office a clause referring to Article 421 and defining its interpretation for the purpose of the application of the Convention would be useful. I would make it possible to define, as regards colonies, the nature of the obligations arising from ratification, and might refer to the possible sanctions in the case of the non-observance of ratified Conventions. It might also be desirable to include a clause enabling States to extend the effect of their ratification progressively to their different colonies. Provisions such as these would not suspend Ar-

ticle 421. By defining its scope, however, and definitely fixing the conditions in which it is to be applied, they would to a large extent remove the difficulties which might result from too elastic an interpretation of Article 421.

No. 2232 dated 10th October 1929.
From Chamber to the Director of Information and Labour Intelligence.

I am directed to acknowledge receipt of your letter No. 2475, dated the 3rd October 1929, with enclosures.

My Committee are surprised to note that they are expected to reply to a questionnaire consisting of more than 35 questions and comprising 15 type-written pages in less than a fortnight's time. I am, therefore, directed to emphatically protest against the statement made in your letter that any views submitted later than the 10th would not be considered.

My Committee have been long since feeling that very little time is allowed to commercial bodies for replying to important communications issued by the International Labour Office. Government cannot be unaware of the fact that these questionnaires coming from the Labour Office are of an extremely important nature, forming, as they do, the basis for Conventions and Recommendations ultimately adopted by the Labour Conference, which again form the basis on which legislatoin is ultimately drafted. As such they affect the very fundamentals of industrial and commercial life and commercial bodies should not be rushed into giving their views on matters which veritably are life and death to them. In this connection, my Committee may be allowed to draw the attention of Government to the strong protest lodged by Sir Atul Chatterjee against a short notice by the Labour Office regarding their communications.

My Committee will not be ready with their reply, looking again to the intervening Dipavali holidays, for at least six weeks more. They hope that Government will extend the time originally fixed for submission of views, as otherwise, much to their regret, they will be precluded from sending their views on such an important communication as the one under reference.

No. 2514 dated 20th November 1929
From Chamber to the Director of Information and Labour Intelligence, Bombay

I am directed to send you herewith views of the Committee of this Chamber, regarding the question of Forced Labour referred to in your communication of the 3rd October, 1929, No. 2476.

They are glad to note in paragraph 3 of the letter from the Government of India to the Government of Bombay that they propose to adopt through their delegate to the 14th Session a sympathetic attitude towards the proposals for the adoption of a draft Convention on Forced Labour. This question has been agitating the public mind for a long time past in this country, and my Committee are glad to note that through the instrumentality of the Inernational Labour Conference, Government have at last been obliged to realise the inequity of the whole system. If Government, however, have now realised that the system of forced labour is not good, then they should have, in reply to the question No. 1 of the questionnaire, strongly supported the proposal for suppressing the use of forced or compulsory labour in all its forms with or without a transition period. Unfortunately, they appear to be in favour of adopting a halting policy and would prefer a draft convention to limit and regulate the use of forced or compulsory labour for public or local purposes, and to prohibit the use of such labour for private purposes. While my Committee appreciate the recommendation of Government for the total prohibition of forced labour for private purposes, they cannot agree with them in their proposal to go only half-way in regard to the question of eliminating the use of forced labour for public or local purposes. My Committee would only make one exception and that is in the case of what may be called "a case of emergency (Force Majeure)," referred to in question No. 4. They would also like to urge that forced or compulsory labour should be entirely abolished not only in British India but also in Indian States, where this system is operating even with much greater severity than in the case of the former. It is observed in paragraph 4 of the Government of India's letter that "as the intention is that if any draft convention on Forced Labour is ultimately ratified by India the ratification will be in respect of British India only, the Government of India are inclined to think that

their answer to question No. 9 might be in the affirmative." My Committee do not understand why it is intended to exclude Indian States from the operation of this Convention. It has already been seen that owing to the exclusion of Indian States from the operation of Labour Legislation prevalent in British India an unhealthy competition has been set up by factories set up in Indian States as against those working in British India. Not only that but the very fundamental objective of such an international institution as the International Labour Conference is thrown overboard if such a large part of India as is comprised within the Indian States is allowed to ignore all the Labour Legislation which has now been accepted by practically the whole civilised world. The inclusion of a representative of Indian Princes in the delegation of India to the Assembly of the League of Nations is a conclusive proof, if any were wanted, that Indian States should also be brought within the purview of the International Labour Conference. Holding as my Committee do the view that the system of Forced Labour is wrong, unfair and inequitous, they cannot think that any tinkering with it like placing limitations or obvious transition periods will satisfy public opinion.

Under these circumstances, my Committee do not consider it necessary for them to reply to the rest of the questions, which apparently presuppose that the system is to be retained but with certain restrictions and limitations.

APPENDIX CIII.

EMPLOYERS' DELEGATION TO THE 14TH INTERNATIONAL LABOUR CONFERENCE.

Press Communique, which appeared in the "Times of India" dated 16th September

LABOUR CONFERENCE

To Discuss Forced Labour and Hours of Work.

A press communique dated 16-9-29 states:—

The Government of India has been informed that the fourteenth session of the International Labour Conference will open at Geneva on

June 9, 1930. Items on the formal agnda of the session are: (1) forced labour (2) hours of work of salaried employees. Under the double discussion procedure of the Conference these two items are due for final discussion at the 14th session.

The Government of India also understands that an item relating to working conditions in coal mines will be added to the agenda for the first discussion. A further announcement will be made, if necessary, as soon as the Government of India is informed of the decision of the Governing Body of the International Labour Office on the matter.

Representation of each Member State at the session ordinarily consists of two Government delegates one employers' delegate one workers' delegate and a number of advisers for each class of delegates. The right of nominating the personnel of the entire Indian delegation rests with the Government, but in selecting the employers' delegate and the workers' delegate and their respective advisers the Government of India will attach due weight to recommendations made by the organised representative associations of employers and workers. All suggestions relating to nomination of non-Governmnt delegates and their advisers should reach the Secretary to the Government of India. Departmnt of Industries and Labour, as early as possible, in any case not later than January 10, 1930. Allowances (on scale which can be ascertained by application to Department of Industries and Labour) will be granted by the Government to defray the expenses of delegates and advisers finally nominated.

No. 2746 dated 6th December 1929, from Chamber to the Government of India, Department of Industries and Labour.

With reference to the press communique regarding suggestions in connection with the nomination of non-Government Delegation to the 14th Session of the International Labour Conference, my Committee recommended the following personnel for the Employers' Delegation to the Conference:—

DELEGATE.—Mr. Amrit Lal Ojha, M.L.C., (Indian Mining Federation, Calcutta).

ADVISERS:—1. Mr. P. Mukerjee (Punjab Chamber of Commerce, Delhi).

2. Mr. J. K. Mehta, (Indian Merchants' Chamber, Bombay).

3. Mr. Ramjidas Vaishya, (Gwalior Chamber of Commerce, Gwalior).

4. Mr. Ganganand Sinha, M.L.A., (Behar and Orissa Chamber, Patna).

My Committee hope that Government will be pleased to accept their suggestion and to nominate the persons recommended.

APPENDIX CIV

X PER CENT. MORE OR LESS CLAUSE.

No. I. N. C. 136, dated 23rd May 1929, from the Indian National Committee of the International Chamber of Commerce to Chamber.

I beg to inform you that the International Chamber of Commerce is conducting a new enquiry into the interpretation, in various countries of the "X per cent. more or less" clause.

The International Chamber is anxious to know the interpretation given in this country to the above clause.

The two essential questions seem to be: (a) Must the seller, in availing himself of his right to deliver X per cent. more or less, give a special reason independent of his will, or may he deliver X per cent. more or less as he wishes? (to cover himself against fluctuations in prices after the conclusion of the contract).

(b) Must the seller notify the buyer that he is availing himself of his right? In the affirmative, at what date, and in what manner, must this notification be made?

It is, of course, possible that there may be other important questions pertaining to this, but this is a matter for your own judgment.

I shall, therefore, thank you to send me the interpretation which the Members of your organisations put in regard to the above clause so as to reach me not later than 26th June, 1929.

No. 1456, dated 5th July 1929, from Chamber to the Indian National Committee

With reference to your letter No. I. N. C.-136, dated the 23rd May 1929, I am directed to send you hereby the views of my Committee regarding the above and the Customs of the various Trades with regard to the same.

(1) **Piecegoods:** The practice is that where the goods are sold per yard a margin of 10 per cent. more or less is allowed as regards variation in lengths.

(2) **Grain:** Sellers have got the option of sending 5 to 10 per cent. more or less quantity. The intimation is generally given when the consignment is actually loaded on the steamer, which means the intimation generally reaches the buyer one week or so before the consignment.

(3) **Seeds:** With regard to seeds trade the percentage varies with the different articles in different countries of produce.

In ordinary manufactured lines where the articles are specially made to order, the need for such a Clause is apparent but the Committee feel that in the case of manufactured articles of standard quality and marks and sold under brands of the manufacturers, the advisability of the clause is not apparent.

In the case of raw produce, the Committee fear that the clause is likely to be taken advantage of unduly by different parties.

VI GENERAL.

APPENDIX CV

CENTRALISATION OF PROVINCIAL SUBJECTS

No. 2265, dated 15th October 1929, from Chamber to Government of India, Home Department.

I am directed by the Committee of this Chamber to draw the attention of the Government of India to a matter of vital public importance. For sometime past there is a tendency on the part of Government to transfer subjects which are Provincial to the jurisdiction of the Central Government. One of the principal aims and

objects of the Montagu-Chelmsford Report and of the legislation which followed that report, was, as far as my Committee are aware, a greater devolution of the powers of the Government of India to the different Provincial Governments. The distinguished authors of the Report on Indian Constitutional Reforms observed as follows:—

> "Compared with past days, provincial Governments enjoy great liberty of action; but, as we shall show in due course, substantial restrictions are imposed on them by the dominant conception that the entire government system is one indivisible whole and amenable to Parliament. Even though the Decentralisation Commission accepted this governing condition, they thought that both the Indian Government and in their turn the provincial Governments also had in the exercise of the control with which they were invested been dominated too much by considerations of administrative efficiency."

The Decentralisation Commission wrote as below:—

> "They have, we think, paid too little regard to the importance of developing a strong sense of responsibility amongst their subordinate agents and of giving sufficient weight to local sentiments and traditions. In our opinion, the burden of work could be materially diminished if the Indian Government were to refrain from interfering in unnecessary detail with the actions of the authorities subordinate to them, an interference which results in large measure in every administrative authority in India having to do over again work already accomplished at a stage below. Future policy should be directed to steadily enlarging the spheres of detailed administration entrusted to provincial Governments and the authorities subordinate to them and of recognizing that they must definitely dispose of an increasing share of the ordinary work of government."

Commenting on this the Report on the Indian Constitutional Reforms agrees that public and official opinion alike endorses this criticism and adds that

> "Official control from above is incompatible with popular control from within, and the admission of the latter justifies, indeed demands, a corresponding reduction in the former."

It laid down the dictum that: "Parliament, the Secretary of State, and the Government of India must all relax control if the Legislative Councils were to share the responsibility for the administration." The authors of the Report expound this principle further on even more elaborately. Thus in paragraph 189 of the Report they say: "We must proceed therefore by transferring responsibility for certain functions of government while reserving control over others. From this starting point we look for a steady approach to the transfer of complete responsibility. We may put our second formula thus:

> "The provinces are the domain in which the earlier steps towards the progressive realization of responsible Government should be taken. Some measure of responsibility should be given at once, and our aim is to give complete responsibility as soon as conditions permit. This involves at once giving the provinces the largest measure of independence, legislative, administrative and financial, of the Government of India which is compatible with the due discharge by the latter of its own responsibilities."

It was under this ideal that the different subjects coming up before administrations were divided into Central and Provincial. A Committee appointed by the Secretary of State for India enquired into uestions connected with division of functions between the Central and Provincial Governments and the division of subjects into Central and Provincial, has generally followed on those lines with some differences here and there in different provinces.

My Committee have been observing for some time past, with regret, that the wholesome, salutory and far-sighted principles laid down by the Report on the Indian Constitutional Reforms are now being departed from, and there is a steady encroachment going on subjects which were considered provincial. My Committee may be

allowed to cite a few instances to show how this process of centralisation has been going on with regard to some questions:—

(a). **Administration of Port Trusts:—**

Provincial Governments have been administering the different Port Trusts for a long time past. My Committee recognize that this administration by Provincial Governments was technically speaking as agents of the Government of India. It has now been, however, definitely proposed to take over all the Port Trusts under the Central Government without any interference of local Governments. It was with regard to this subject my Committee wrote, in their letter No. T-1347, dated 10th November 1924, to the Government of Bombay, Marine Department, as below:—

> "While recognising that there may be a good deal to be said technically for uniform control of all the major Ports of India, my Committee cannot overlook the fact that the prosperity of the City of Bombay is very much dependent on the proper administration of the Port of Bombay and generally speaking on the development of the trade and commerce of Bombay. There are obvious disadvantages in the control of such an important factor in the prosperity of Bombay being transferred from Bombay to distant Simla or Delhi.
>
> "Looking, however, to the fact that the administration of these was given to the local Governments from their very establishment and even since the enactment of Devolution rules under the Government of India Act four years ago, and that it has been carried on so far without any serious complaint, my Committee are most strongly opposed to the administration of Port Trusts being now taken away from the hands of local Governments by the Government of India."

(b) Control and regulation of the Cinema Industry

This should be considered as purely a provincial subject, and yet it was the Government of India who appointed a Committee to examine the organisation and the principles and methods of the censorship of cinematograph films in India, etc., and there are now proposals

for having a Central Bureau of Investigation and Research regarding this industry and also a Central Board of Censors.

(c). Administration of Roads

This also should be considered as a provincial subject and yet here again it was the Government of India who appointed the Indian Roads Committee to formulate proposals regarding the administration of roads. A Central Roads Advisory Committee has now been actually formed with its members elected from the Indian Legislature, and a revenue for this new department has been found by increasing the duty on petrol by two annas. It will be this Central Department which will be distributing the income accruing from this revenue to different provincial Governments and local authorities.

(d). Central Advisory Council for Agriculture:

Agriculture is a provincial subject and yet the Government of India have now constituted a Central Agricultural Research Council which will obviously have its say with regard to the agricultural policies and operations of different provinces.

My Committee have given these instances to show how the process of centralisation has been going on silently and steadily. Big inroads have thus been made on the legitimate sphere of provincial Governments. It is naturally feared that if this policy goes on at the rate at which it has been going on, provincial autonomy, when it comes, will be so only in name and provincial Parliament may be reduced to the position of only bigger municipalities. My Committee are addressing Government with a view to draw their attention to this important constitutional development and hope that a statement will be issued by Government, at an early date, which may dispel the fears entertained by public bodies like this Chamber and others.

No. D 4547 dated 16th November 1929, from the Government of India, Home Department, to Chamber.

I am directed to acknowledge the receipt of your letter No. 2265, dated the 15th October 1929 regarding the policy of the Central Government in respect of certain provincial subjects and to say that a copy of it has been forwarded to the Indian Statutory Commission for such action as the Commission may desire to take.

No. 2678 dated 29th November 1929, from the Chamber to Government of India, Home Department.

I am directed by my Committee to acknowledge receipt of your letter No. D-4547, dated the 16th November 1929, and to point out that my Committee's communication No. 2265 dated the 15th October 1929 was addressed to and meant for the Government of India in the Home Department and not the Simon Commission. They regret that a copy of our letter should have been sent to the latter body.

APPENDIX CVI.

MANAGEMENT OF THE VICTORIA JUBILEE TECHNICAL INSTITUTE.

No. 2254 dated 14th October 1930, from Chamber to Government of Bombay, Department of Education.

The attention of the Committee of this Chamber has been drawn recently to the state of affairs in the Victoria Jubilee Technical Institute. This Institute is a premier technical institution not only in this Presidency but in the whole country. My Committee are aware that a large number of students come from the other Presidencies to this Institute. It is because it holds its premier position that my Committee are anxious that nothing should happen which would mar the efficiency or the good name of the Institute. It is with this object in view that my Committee beg to address this representation to Government so that the defects be removed and the Institute may be placed on an efficient and well-administered basis.

The Institute was started with the generous endowment given by Sir Dinshaw M. Petit, supplemented by subscriptions to the Ripon Memorial Fund, subscriptions to celebrate the Jubilee of the late Queen Victoria and other donations. It was established in 1888 with the object of imparting instruction in the principles of technical science and their application to industrial and other purposes by

(1) establishment of an Institute in Bombay, for instruction of apprentices workmen, foremen, and managers and for

training suitable technical teachers for the whole of the Presidency;

(2) the establishment, as funds permitted, of technical schools at places other than Bombay and the grant of assistance to such schools as may be affiliated to the Institute throughout the Presidency;

(3) the holding of examinations in technology and granting of certificates of competency to those who passed the prescribed tests.

In order to fulfil the first object the teaching in the following courses was undertaken at the Institute: Courses in mechanical engineering, electrical engineering, textile manufacture, sanitary engineering and plumbing and applied chemistry. In order to fulfil the second object Government constituted a Committee of direction of technical education in the Bombay Presidency.

With regard to the first, my Committee will briefly deal with the different courses;

(a). **Mechanical Engineering:** The machinery consists of lathes, Babcock and Wilcox boiler, one steam engine of about 100 H. P. and a gas engine with a coal gas plant and a small oil engine. The lathes are said to be too old and many of them are not sufficiently accurate. The boiler, it is alleged, is now hardly working for a few days in the year and it was not working at all, my Committee are informed, for nearly four years. Government will agree that the boiler and lathes are constituent parts of the mechanical engineering department which cannot be said to be complete without them, and that if the allegation is correct the particular course could not be said to be well-looked after. It is said that the staff, at least a majority of them, have not got any practical experience so very essential for such an Institute as the Victoria Jubilee Technical Institute.

(b). **Electrical Department:** My Committee are informed that not more than 40 students are admitted every year in this department though more than 100 students well-qualified seek admission every year. This department, it is said, is short of testing electrical machinery and plant.

(c). **Textile Department:** My Committee understand that this department is urgently in need of a waste plant, arrangements for fine-yarn spinning, hosiery plant, sizing machine, dyeing and bleaching plant and various other looms and spinning and opening machines with new labour-saving devices. If this allegation is correct, the textile course cannot be said to be complete. The weaving workshop is, it is said, closed since the last 4 years as the new buildings have cracked so much that the shafting could not be worked. If this is a fact, it reflects gravely upon the present management and administration of the Institute, as it means that the students do not receive training with regard to practical weaving. Facilities are provided to a very limited extent, but especially in weaving technology. Where practical work is to be submitted to the City and Guild of London, nothing can be done as the weaving shed is closed.

Chemistry Department: The teaching in the chemistry department is good. What is wanted is the small scale manufacture of paints, varnishes, soaps, candles, and oils in the chemical department.

Sanitary Engineering and Plumbing: There are also complaints regarding the teaching staff with regard to these courses. The complaint has been that this department is badly managed and unsatisfactory.

It was expected that after the Technical Institute was removed to its new buildings there would be a change in the management and administration as also in the teaching, both practical and theoretical. Unfortunately, all these expectations have not come to be realised. My Committee believe that it is highly essential that a Committee should be appointed by Government not only to go into all these questions but also to prepare a comprehensive report regarding the steps necessary for remedying the present defects, its management, administration and the general standard of teaching in all its departments. This Committee should also be entrusted with the work of finding out as to who was responsible for the bad construction of the building which is found to have cracked in such a short time and what will be the expenditure necessary for fully repairing the building. Such Committee should have an Indian Chairman and a majority of Indian members. My Committee hope that in the interests of Technical

Education of the Presidency as also in the interest of industry in general Government will be pleased to accept their suggestion for the appointment of a Committee referred to above.

APPENDIX CVII.

APPOINTMENT OF PRINCIPAL OF THE SIR HARCOURT BUTLER TECHNOLOGICAL INSTITUTE, CAWNPORE.

No. 221 dated 30th January 1930, from the Chamber to Government of India, Department of Industries and Labour.

The attention of the Committee of this Chamber has recently been drawn to the advertisements appearing in the Press in England for the post of Principal of the Technological Institute at Cawnpore. My Committee are surprised to find that advertisements for the above post have been inserted in the Press in England, whilst the same, if at all inserted, have not been done prominently in the Indian Press. My Committee would not have addressed Government in this connection, but for the fact that the Government of India give certain scholarships to Indian students to prosecute their further technical and scientific education in foreign countries to enable them to occupy such responsible posts, as the one under consideration. If whenever such opportunities occur Indians with suitable qualifications are not selected the entire object of giving such scholarships fails, and my Committee cannot help remarking that the expenditure incurred on such scholarships is likely to prove practically useless. During the last several years in which Government have been giving such scholarships, surely a good number of Indians must have obtained higher qualifications for occupying such posts. In view of the above facts, my Committee are of opinion that as a matter of principle such posts should always be held by qualified Indians. With regard to the particular instance under reference, my Committee would also request the Government of India to impress on the Government of the United Provinces the advisability of appointing a suitable Indian to the post of Principal, Technological Institute, Cawnpore.

No. 1528 dated 12th February 1929, from the Government of India to Chamber.

With reference to your letter No. 221 dated the 30th January 1929, I am directed to say that the appointment of Principal of the Harcourt Butler Technological Institute at Cawnpore is entirely within the discretion of the Government of the United Provinces and that the Government of India do not propose to interfere in the matter. It is not a fact that the Central Government give certain scholarships to Indian students to prosecute further their technical and scientific education in foreign countries to enable them to occupy such responsible posts.

I am to add that it is open to your Chamber to address the local Government direct in the matter.

D. O. letter No. 103 dated 16th January to the Secretary of the U. P. Chamber, Cawnpore.

I am sending to you herewith a copy of a telegram received by my Committee from Mr. Kapilram Vakil regarding the advertisement for the Post of Principal, Technological Institute, Cawnpore. Will you kindly let me know what is your opinion with regard to this matter and if you would advise my Committee to take any action on the same? Please also let me know if your Chamber has taken any action with regard to the question.

No. 4500 dated 16th February 1929, from the U. P. Chamber of Commerce to Chamber.

With reference to your letter No. 221 dated 30th ultimo, I beg to inform you that the Committee of the Chamber have taken necessary action in the matter referred to in your private letter addressed to Rai Bahadur Babu Vikramajit Singh, the Secretary of the Chamber, enclosing a copy of the telegram from Mr. Kapilram H. Vakil.

No. 428 dated 20th February from the Chamber to the U. P. Chamber of Commerce.

I am directed to acknowledge receipt of your letter No. 4500|38, dated the 16th February 1929 and to thank your Committee for their taking necessary action in the matter referred to therein. My Committee will be obliged if you will kindly send to them a copy of the

reply of the United Provinces Government in the matter, when received, for their information.

No. 1748 dated 5th August 1929, from Chamber to the U. P. Chamber of Commerce.

I have to refer you to this Office letter No. 428 dated the 20th February 1929 and to enquire whether you have received any reply from the United Provinces Government re: Principalship of the Harcourt Butler Technological Institute, and if so, you will kindly send us a copy of the same at your early convenience.

APPENDIX CVIII.

GOVERNMENT MEMORANDUM (WHITE PAPER) RE: SIND AND LLOYD BARRIAGE.

The Memorandum being too lengthy to be published here, has been placed in the Library, No. Ag. 253. (File R. 123|29).

No. 1987 dated 3rd September 1929, from Chamber to Government of Bombay, General Department.

The Committee of the Chamber had occasion recently to consider the memorandum prepared by Government re: Sind and Lloyd Barrage. They find that details with regard to the estimate of the total expenditure likely to be incurred on the Sukkur Barrage Scheme are given and explained so far as liability side of this great project is concerned the figures may be hlpful and informative, but in absence of any particulars regarding the revenue anticipated from this project, it is extremely difficult for Commercial Associations, like my Chamber, to consider the scheme comprehensively.

I am therefore directed by the committee to request Government to be pleased to prepare at an early date a complete asset side of the Scheme and circulate the same for the information of the general public.

No. 9471, W. dated 6th September 1929, from Government of Bombay, General Department to Chamber.

I am directed by the Governor in Council to acknowledge the receipt of your letter No. 1987, dated 3rd September 1929 on the subject mentioned above and to say that it will be laid before Government.

APPENDIX CIX.

COMMITTEE PROCEEDINGS AND THE PRESS.

No. 1767 dated 7th August 1929, from the Chamber to the Editor of the "Bombay Chronicle".

The Committee of this Chamber have noted with regret the insinuations against the President of the Chamber made in your leader of 30th July 1929 followed by a letter from an anonymous correspondent under the nom-plume **'Impenitans'** in your issue of the 6th August 1929. They have, at their last meeting held on the 6th idem, passed **'nem con'**, (only one mmber remaining neutral) the following Resolution, which you will kindly publish in your next issue:—

> "The Committee of the Indian Merchants' Chamber place on record their resentment at the imputations cast at the President of the Chamber in the leading article of the "Bombay Chronicle" dated 30th July, 1929 and in a letter to the "Bombay Chronicle" written by one signing himself as **'Impenitans'** published in the issue of the 6th August, and condemn the action of the party responsible for the publication of both of these and reiterate their following resolution on the subject passed on 1st September 1925:—
>
> "RESOLVED that the attention of the members of the Committee be drawn to the fact that the proceedings of the Committee Meetings shall remain always confidential and that it is highly undesirable that the same should be communicated to the Press or otherwise published by any members".

Editorial in the "Bombay Chronicle" dated 30th July 1929.

"A BLUNDER CORRECTED."

"Mr. S. N. Haji has been finally elected as the choice of the Indian Merchants' Chamber, Bombay, to fill the place of the late Mr. Madon on the Banking Committee. They have, at last, corrected the mistake they had been led to make under the influence of the bosses who pull the strings and make the puppets dance as they please. When the Federation of the Indian Chambers of Commerce lost a stal-

wart on the Central Banking Committee by the untimely death of Mr. Madon, the only fitting replacement would have been to elect the gentlemen who has already done much for the advancement of Indian industry and enterprise. Under the influence, however, of those who dominate the Indian Merchants' Chamber, it was alleged and suggested that the President of the Federation had already made his choice of Mr. Sarcar to fill Mr. Madon's place on the Committee; and that it behoved the loyal followers to support the **'ex parte'** choice alleged to have been made. That such a view of the President's action was liable to the gravest misinterpretation; that, as represented it seemed to be utterly unconstitutional in so far as it had dispensed with even the formality of a consultation with the constituents of the Federation, does not seem to have occurred to those who made use of the President's name in this somewhat irresponsible fashion. In fact, there seems to be a mystery around this supposed choice of Mr. Sarcar by the Federation President, which it may be very hard for the pinkest of the Pinkerton sleuths to unravel. For, enquiries made in the quarters that ought to know go to show that the name of the President, and the argument about discipline and solidarity, have been pushed far beyond their legitimate bounds by persons who had pledged their own prestige to make good their own support of their favoured candidate. Be that as it may, the Committee of the Indian Merchants' Chamber were divided very closely in the nomination they sent up, in the first instance, of Mr. Sarcar. When that fact came to light; when the utterly unconstitutional nature of the President's alleged action was revealed in its true colours; when the Indian Merchants' Chamber were shown the real nature of the **'tour de force'** by which they were sought to be made a victim by their "leaders," the natural good sense of a body of businessmen came to their rescue; and so, at the Committee meeting held on Saturday last, Mr. Sarabhai Haji was finally elected as the Chamber's candidate to fill Mr. Madon's place.

The choice, however, was made, despite attempts to frustrate it by those, who surely ought to have considered more fully the reaction of such manoeuvres on the public life of the country in general. Mr. Tairsee, the President of the Chamber, sought to prejudice the elec-

tors,—without perhaps quite realising the psychological force of his exhortation,—by mentioning the anomaly of changing the choice at the time of the final election from what it had been at the time of the first nomination. Mr. Tairsee is too astute a strategist not to have perceived the drift of his remarks; and so he must suffer us to point out the wholly undesirable tendencies in the Chamber, of which he has permitted himself to be made an instrument increasingly of late. At the risk of a slight irrelevancy, we feel constrained to point out that, from all we have heard, Mr. Tairsee as Chairman has not always acted with that studious regard for correctitude in public proceedings, which had once endeared him to the free lances of the Indian Merchants' Chamber; and had enabled him to score triumph upon triumph almost single-handed. It is regrettable that he should so far forget the privilege of his position as to permit himself to be made an instrument of utterly unconstitutional proceedings; that he should suffer his name and authority to be exploited so as to alter autocratically the fixed programme of agenda at meetings of the Committee where members of the Government of India were to be present; that he should, even unintentionally, seem to take sides in such elections as the one decided last Saturday by such observations as we are informed, he made before putting the election finally to the vote.

Mr. Haji's election by the Indian Merchants' Chamber is, however, a fitting reply to Government, a warning to vested interests, an earnest to the country at large that the best interests of the banking enterprise of the country will be sedulously safeguarded. We trust the final choice of the Federation will also be the same. The very fact that the great Mandarins of the Indian Merchants' Chamber had tried their utmost to secure the election of Mr. Sircar against one of their own colleagues, Mr. Haji, is, however, itself suggestive of the methods and mentality now getting into vogue, against which the country cannot guard itself too carefully. They have been accustomed to consider the Chamber,—and even the Federation,—to be their pocket-boroughs too absolutely to have wasted a single thought on the propriety of their autocratic choice **'ex parte'** of an individual, irrespective of considerations of fairness of representation as between interests and provinces. And when they saw defeat in the Committee

staring them in the face, their henchmen resorted to tactics that deserve to be condemned. Every body, of course, is not Mr. Narottam Morarji to be so generous as to regard his lieutenant's triumph to be his own. We would not, indeed, have even referred to such tactics that the bosses have it in their power to employ, were it,—as it often is,—merely a matter of domestic manoeuvring. But, when such tactics affect public life; when the best interests of the country demand that an individual's service be placed unreservedly at the disposal of the country, and yet—just at that psychological moment—wealth and high position are used as a leverage to force out the most deserving candidate,—then we think it is high time to protest emphatically in the name of the country and in the interests of its people. We trust, however, the election of Mr. Haji by the Indian Merchants' Chamber will be sufficiently a warning to any who may be inclined to manoeuvre in such devious ways; and we hope they will ever keep before their mind's eye the sovereign urgency of public interest before which all other considerations must yield, if they, in their turn, desire to deserve well of their country."

APPENDIX CX.

TRANSFERANCE OF BRIEFS BY ADVOCATES.

No. 1990 dated 3rd September 1929 from Chamber to the Registrar, Appellate Side, High Court, Bombay

The attention of the Committee of this Chamber has been recently drawn to a new Rule 67—A, directed to be inserted by the Chief Justice and the judges of the Bombay High Court, in the High Court Appellete side Rules—1920. The rule authorises advocates to transfer their briefs to other advocates even in the absence of any authority from his client when they are prevented or are likely to be prevented from attending to their cases by reason of their being engaged in other courts. My Committee beg to protest against such a wide and arbitrary authority conceded to advocates. It is exceedingly unfair to clients who engage eminent senior advocates at great cost if they are at liberty to transfer their heavily marked briefs to junior advocates. My Committee are therefore opposed to this new

rule and request the Hon'ble the Chief Justice and Judges to be pleased to rescind the same. They, however, have no objection if advocates are permitted to transfer their briefs for adjournment purposes only.

In view of the seriousness of the matter under reference, my Committee trust that their suggestion will be favourably considered.

RULE 67-A

"67-A. An Advocate may transfer his brief in a case to another Advocate even in the absence of any authority from the client when he is prevented or likely to be prevented from attending to the case by reason of his being engaged in another Court."

No. 2779 dated 9th September, 1929 from the Registrar to the Chamber.

With reference to your letter No. 1990 dated the 3rd September 1929, regarding the new Rule 67-A inserted in the Rules of the Bombay High Court Appellate Side, 1920, I am directed by the Honourable the Officiating Chief Justice and Judges to point out that the Rule in question applies only to Advocates (formerly Pleaders) and not to Advocates (O. S.) who alone were known as advocates before the Bar Councils Act, 1926, came into force.

No. 2154 dated 30th September 1929, from Chamber to the Registrar

I am directed to acknowledge the receipt of your letter No. 2779, dated the 9th September 1929 regarding the new rule 67-A inserted in the Rules of the Bombay High Court Appellate Side Rules, 1920.

My Committee are of opinion that the fact that the rule in question will apply only to Advocote (formerly pleaders) and not to Advocates (Original Side) does not minimise the grievance. Transfer of briefs is a practice which is most undesirable, works a great hardship on the client who has paid his fees to the Advocate of his choice and should, therefore, be put a stop to. Whether such transfer is made by Advocates who were formerly known as pleaders, or by advocates working on the Original Side, the practice is indefensibly wrong, and my Committee hope that their Lordships of the High Court

will be pleased to rescind the rule 67-A in the interest of justice and equity. My Committee understand that the Original Side Bar has already put a stop to holding of briefs by a Bar Rule, evidently guided by considerations similar to those my Committee have urged.

No. 3390 dated 22nd November 1929, from the Registrar to the Chamber

With reference to your letter No. 2154 dated the 30th September 1929, on the subject noted above, I am directed by the Honourable the Chief Justice and Judges to say that the rule in question has been designed to meet the necessity for having more Courts than two on the Appellate Side, in view of the present heavy arrears of over 1500 First Appeals and over 1400 Second Appeals in addition to other work like Civil References, Revisional Applications, and the Criminal Appeals.

It is their Lordships' view that it would be quite impracticable to conduct a Court if every case had to be adjourned in which one of the pleaders might be engaged in a different Court at the time of hearing. No such suggestions would be tolerated by the English High Court, and it cannot be tolerated here. I am to point out that in any heavy case which will stand the expense, all risk of the substitution of an unsuitable Advocate can be avoided by employing 2 pleaders or else by engaging Counsel. I am to say that under these circumstances their Lordships do not propose to alter the rule in question, at any rate before it has had a fair trial.

No. 212 dated 3rd February from the Chamber to the Registrar.

With reference to your letter dated the 22nd November, 1929, No. 3390, my Committee have considered the question again. They are sorry, however, that with due respect to the Hon'ble the Chief Justice and Judges of the High Court, they cannot agree with the view their Lordships have taken of this question. Heavy expense, as it already is in connection with litigation, **i.e.,** without adding a second advocate and his fees, presses heavily upon the business community and the suggestion, therefore, made by their Lordships that all risks of the substitution of an unsuitable advocate can be avoided by employing two pleaders or else by engaging Counsel in addition will not

prove acceptable to them. The practice is, in the opinion of my Committee, indefensibly wrong and must be done away with, and my Committee beg, therefore, to urge again that their Lordships may be pleased to rescind the rule in question.

No. 404 dated 14th February, from the Registrar to Chamber

With reference to your letter No. 212 dated the 3rd February 1930 on the subject noted above, I am directed by the Honourable the Chief Justice and Judges to state that your Chamber have already been informed in my letter No. 3390 dated the 22nd November 1929, that their Lordships did not propose to alter the rule in question, at any rate before it had a fair trial. I am accordingly to say that the present application of your Chamber asking that the rule in question be rescinded is refused by their Lordships.

APPENDIX CXI.

PERIOD OF IMPRISONMENT FOR NON-PAYMENT OF DEBT.

No. 5717|2—B dated 20th July 1929, from Government of Bombay to Chamber.

I am directed by the Governor in Council to forward herewith a copy of a letter from the Government of India in the Home Department No. F. 269|27-Judicial, dated the 14th June 1929, and of its accompaniments regarding the question of undertaking legislation for reducing the period of imprisonment for non-payment of debt, and to request that you will be so good as to favour Government with the views of the Indian Merchants Chamber in the matter.

No. F. 269|27—Judicial dated 14th June from the Government of India, Home Department, to the Government of Bombay

I am directed to forward, for the information of the Governor in Council, a copy of the correspondence with the Government of Madras noted in the list below, on the above subject.

2. In order to remedy the present state of things which results in a large number of persons being imprisoned for debt in the Madras

Presidency, the local Government suggest—

(1) that power should be taken to order at any time postponement of payment of the decree amount, or payment by instalments; and

(2) that the period of detention in the civil prison in execution of a decree should be reduced in regard to cases falling under section 58 (1) (a) of the Code of Civil Procedure from 6 to 3 months.

It has been suggested that in order to give effect to these proposals it will be necessary to undertake legislation so as to provide for the omission of Article 175 of the First Schedule to the Indian Limitation Act, 1908, and an addition to article 181 of that Schedule, and that an amendment of section 58 of the Code of Civil Procedure will also be required. Before coming to a decision, the Government of India will be glad to be furnished with the views of the Governor in Council on the proposals.

Note:—The enclosures to the letter are not published here, being too long. They can however be had for reference in file No. R. 100|1929.

No. 1988 dated 3rd September, from Chamber to Government of Bombay, Home Department.

I am directed to acknowledge receipt of your letter No. 5717|2'|13, dated 20th July 1929 together with its enclosures and submit the views of my committee on the same as under:—

My Committee approve of the first suggestion of the Madras Government regarding power to be taken to order at any time postponement of the decretal amount or payment by instalments. With regard to the second suggestion **viz.**, reduction of period of civil imprisonment in execution of a decree from 6 to 3 months, my Committee however are of opinin that time has now arrived when such confinement should altogether be done away with. If however this is not feasible, they have no objection to the period of confinement in civil jail being reduced from 6 to 3 months.

APPENDIX CXII.

GRANT OF VISHRAM BAG WADA TO THE POONA CITY MUNICIPALITY FOR LOCATING A MUSEUM.

No. 219 dated 30th January 1929, from Chamber to Government of Bombay.

The Committee of this Chamber have considered representations to Government made by the President, Poona City Municipality, and the President, Swadeshi Bazar and Industrial Exhibition Committee, Poona, regarding the grant of Vishram Bag Wada to the Poona City Municipality for locating a Museum.

In the opinion of my Committee a good case has been made out for establishing a Museum in Poona to serve the industrial and educational needs of that City as well as the surrounding districts. Poona occupies a prominent place in Maharashtra and as such it is but fitting that it should aspire to have its own Museum. Some funds are already available in the hands of the City Municipality to start such a Museum, and Government are now requested to help them by handing over the said Wada to the Municipality. My Committee believe that this a modest request, and Government will have no objection in according to it. They, therefore, hope that Government will be pleased to favourably consider the request of the Municipality and the Exhibition Committee in this connection.

No. 26675|27 W dated 14th March 1929, from Government of Bombay, P. W. Department, Roads and Buildings to Chamber.

With reference to your letter No. 219, dated 30th|31st January 1929 addressed to the Secretary to the Government of Bombay, Local Self Government, Bombay, on the subject mentioned above, I am directed by the Government of Bombay (Transferred Departments) to state that it has been decided that the Vishram Bag Wada should be utilised for accommodating Government offices which are at present located in rented buildings. Government therefore regret that they cannot hand over this building to the Municipality for the purposes of a Museum as recommended by the Committee of your Chamber.

No. 758 dated 5th April 1929, from Chamber to Government of Bombay.

I am directed to acknowledge receipt of your letter of the 14th March 1929, No. 2675|27.W. My Committee are sorry that the

Government of Bombay, Transferred Departments, have not favourably considered the suggestions put forward by the Poona City Municipality, the Poona Swadeshi Bazaar and Industrial Exhibition Committee and by this Chamber for granting the Vishram Bag Wada to the Poona City Municipality for locating a Museum, and have decided that the Wada should be utilised for accommodating Government offices. Government cannot be unaware of the history of the Wada as it is fully given in the letter of the President of the Poona City Municipality to the Secretary, Local Self-Government Department, dated 17th December 1928, as also in the letter of the former to the Hon'ble Minister for Local Self-Government, dated 15th January 1929 It appears that when the front quadrangle of the Wada was burnt down by incendiaries in 1879 it was restored by public subscriptions and by Municipal contributions and that a contribution of Rs. 5,000 was made by the Municipality to the restoration fund on condition that a sufficiently large portion of the Wada should be set apart for exclusive use of the Poona Native General Library. The principal point to be considered is that the Municipal and public contributions were made on the distinct understanding that the restored Wada would be utilised exclusively for educational purposes. Surely, the location of Government offices in the Wada cannot be considered as the object for which public funds were called and collected. The Poona City Municipality has also got a large collection of funds which are to be devoted to setting up an Industrial Museum. It is but right and proper that Poona City, which is the second capital of Government in the Presidency, should have a decent Industrial Museum, and it would be unfair and inequitable if Poona cannot have such a Museum, though the Municipality has funds for the purpose and the Government of Bombay holds in trust the Wada also for such a purpose. My Committee cannot consider the reason given by Government for their decision as either satisfactory, fair or just or calculated in the best interests of the country.

Under the circumstances, my Committee beg to approach Government again with a request that the Vishram Bag Wada or atleast a major portion of it should be given to the Poona City Municipality for locating an upto-date Museum. The Local Self-Government De-

partment will be doing a good piece of constructive national work in granting this request.

APPENDIX CXIII.

Proposal to enhance the rate for water supplied by the Bombay Municipality to the Bombay Port Trust

No. 70 dated 11th January 1929 from Chamber to the Secretary Bombay Municipality

My Committee have received a copy of the representation made by the Chairman, Bombay Port Trust, to the President Bombay Municipal Corporation, with regard to the above matter. They strongly support their protest against the proposed enhancement by the Bombay Municipality of the rates levied for supplying water to the Port Trust, and hope that the Corporation will realise the injustice and inequity to the Port Trust if these rates were to be put into effect. They, therefore, express the desire that the Bombay Municipality will be pleased to accede to the reasonable and legitimate demand of the Port Trust as indicated in their said representation.

Copy of letter No. 5763 dated 19th December 1928 from the Chairman, Bombay Port Trust, to the President, Municipal Corporation of Bombay.

I have the honour, by direction of the Board of Trustees of the Port of Bombay, to address you regarding the rate proposed to be charged for supply of water to the Bombay Port Trust during the financial year 1929-30.

The Trustees observe from the Proceedings of the Standing Committee of the Municipal Corporation at their Special Meeting held on 4th December 1928 that the Commissioner in the first place had recommended that the rate to be charged to certain bodies, including the Port Trust, during 1929-30 should be reduced from 14 annas to 12 annas per 1,000 gallons. The Sub-Committee appointed by the Water Committee to examine the Water Works Budget Estimates re-

ported that they did not think it advisable to reduce the rate as proposed by the Commissioner but that they would have no objection to the reduction in the case of the Port Trust provided the latter would guarantee to increase their consumption so that the Corporation would derive the same annual revenue therefrom, **i.e.** not less than Rs. 5,00,000. This report was approved by the Water Committee but when it came up for consideration at the meeting of the Standing Committee referred to, a Resolution was moved and carried by five votes against two that the charge to certain bodies, including the Port Trust, **instead of being reduced to 12 annas, should be increased to Re. 1.** No reasons are recorded in support of this decision and the Board of Trustees at their meeting held on 18th December 1928 resolved that a letter should be addressed to the President of the Corporation recording their emphatic protest, on the undermentioned grounds, against the action of the Standing Committee in this matter and requesting that their letter should be placed on the next Agenda of the Corporation for favour of consideration.

For some years past the Chairman of the Port Trust has been protesting to the Municipal Commissioner against the excessive and discriminatory Water Rate levied against the Port Trust and the Chairman has always been given to understand that when the new Water Works were completed the water charges would be reduced. From the 1st April 1928 the Corporation reduced the charges from Re. 1 to annas 14 per 1,000 gallons and a corresponding reduction has been made by the Port Trust in charges for water supplied by them to Shipping. It was confidently expected, in view of the Commissioner's recommendation, that a further reduction to annas 12 would be made next year and the decision of the Standing Committee to reverse their policy and re-impose the former rate of Re. 1, without giving any reasons, has naturally come as a great and most unwelcome surprise to the Trustees.

In order that this important question may receive the attention it merits at the hands of the Corporation, it is necessary to recount briefly the past fluctuations in charges for water supply to the Port Trust. Prior to 1902 the charges for water used on Port Trust premises were levied (as in the case of private consumers) according

to the purpose for which the water was consumed. The rates then in force were:—

Cattle troughs	6	annas	per	1,000	gallons
Drinking troughs	4	"	"	"	"
Latrines	6	"	"	"	"
Domestic purposes	9	"	"	"	"
Trade purposes	12	"	"	"	"

In 1902-03 in order to save labour in the preparation of bills and correspondence and the maintenance of a great number of meter connections, it was mutually arranged that the Port Trust should be charged a uniform all round rate for water supplied irrespective of the purpose for which the water was used. The rate was based on the average of the consumption for the various purposes mentioned above, and the rate fixed for 1902-03 was 9 annas per 1,000 gallons, the rates for the general public being as shown above. In 1903-04 the Port Trust rate was raised to 9 1|2 annas but on a representation from the Port Trust it was again reduced to 9 annas. A further representation was made by the Port Trust in 1909 when it was pointed out that the uniform average rate arrangement had been introduced merely to save labour both to the Municipality and the Port Trust and that the rate should not operate to the disadvantage of the Port Trust by comparison with the differential rates charged to other consumers. The Municipality then reduced the Port Trust rate, with effect from 1910-11, to 6 1|2 annas per 1,000 gallons and this rate remained in force until 1922 when it was increased to 8 annas. The rate was subsequently increased from 1st April 1924 to 12 annas and with effect from 1st April 1925 it was further increased to Re. 1, per 1,000 gallons. The rate charged to the Port Trust was thus increased from 6 1|2 annas per 1,000 gallons in 1921-22 to Re. 1, per 1,000 gallons in 1925-26—an increase of 146 per cent in 4 years. From 1st April 1928 the rate was reduced to 14 annas and, as stated above it is now proposed to increase it again to Re. 1.

The quantity of water consumed by the Port Trust is about 540,000,000 gallons per annum so that every variation of 2 annas in the Municipal charge represents a difference of about Rs. 67,500

in the annual bill. Of the total consumption only about 17 per cent represents water supplied on charge by the Port Trust to Shipping and outside parties; the remaining 83 per cent. for which nothing is recovered by the Port Trust; is consumed for road watering, latrines, drinking fountains, cattle troughs, stand pipes and hydraulic pumping stations and other Port Trust plant. The Port Trust charges for water supplied to Shipping and outside parties are fixed strictly according to the out-of-pocket expenses; the Port Trust derives no profit whatever from this source. Any reduction in the Municipal rate is passed on to the consumers.

The Trustees contend that it is clearly inequitable to charge them a rate which is greatly in excess of that charged to a private consumer. In this connection reference is invited to the remarks of the Acting Municipal Commissioner (Mr. Kirpalani) on the Budget Estimates for 1927-28.

> "....the actual average rate per 1,000 gallons of water supplied at the 3 3|4 per cent tax on value amounts to annas 2.10. Compared with the actual cost of water per 1,000 gallons and the rates charged to various consumers, it will be seen that not only the Trade, Port Trust and Railways, but all other consumers charged by meter measurement are very heavily charged".

It is understood that the cost of water to the Corporation is 4.82 annas per 1,000 gallons. In view of these figures the Trustees submit that the proposal of the Standing Committee to retain the existing low Water Rate on value while increasing the Port Trust rate on measurement to Re. 1, constitutes a grave injustice to the Port Trust who, as large consumers, might reasonably claim to be charged a favourable rate but who are merely asking that they should be assessed on the same basis as ordinary consumers.

The inequity of the high rate charged to the Port Trust is further emphasised by the fact that the Port Trust have incurred considerable expenditure in constructing dispensaries, schools, drinking fountains and cattle troughs for public use. Under the Municipal Act and the Schedule of Water Charges such institutions and conveniences are either exempted from water charges or are assessed at a

purely nominal rate. The Port Trust, however, are called upon to pay the **"maximum"** rate levied for **"all"** purposes.

In the case of water consumed for domestic purposes at Port Trust chawls and other staff quarters the Port Trust are required to pay 14 annas (now proposed to be again increased to Re. 1), whereas the ordinary domestic consumer charged on meter measurement pays 8 annas per 1,000 gallons.

The Trustees observe with satisfaction that the Corporation have recently passed a Resolution calling for an enquiry into the reasons for the increase in cost of living in Bombay. As the Corporation are aware, the Trustees have for some years past been retrenching expenditure in every possible direction with a view to lowering their charges and they will do everything in their power to facilitate any enquiry or other measures likely to effect this object. It is therefore particularly unfortunate at the present juncture that simultaneously with the proposed investigation, the Port Trust, which is one of the chief individual contributors to the Municipal revenues and pays an aggregate sum of over Rs. 15 lakhs annually in General Tax, Water and Halalkhore charges as against Rs. 3 1|4 lakhs in 1914, should now be faced with the prospect of a further increase in the General and Water Tax.

For the reasons stated above the Trustees feel confident that the Corporation and the Standing Committee will acknowledge the equity of reconsidering this question and of removing, or at least ameliorating as far as possible, the heavy burden thrown on the Port Trust by the unfair discrimination against the Trust in the matter of water rates.

No. 10166 dated 6th February 1929, from the Bombay Municipality to Chamber.

With reference to your letter, dated the 11th January 1929, regarding the rate proposed to be charged for the supply of water to the Bombay Port Trust during the financial year 1929-30, I have the honour, by desire of the Municipal Corporation of Bombay, to inform you that the Corporation have estimated their revenue in respect of the supply of water to the Port Trust at the rate of annas 14 per 1000 gallons instead of at Re. 1 per 1000 gallons as proposed by the Standing Committee.

APPENDIX CXIV.

AHMEDABAD MILLS AND SHORTAGE IN LENGTHS OF PIECEGOODS

No. 673 dated 14th March 1929 from Chamber to the Ahmedabad Millowners Association.

I am directed to send to you herewith copy of a letter received from the Ahmedabad Muscati Cloth Merchants' Association on the above question. My Committee will be glad to have the views of your Committee on the same.

(**NOTE**:—The enclosure is not printed here, being in Gujarati, but can be had for reference in File R. 13|29.)

No. 762|29 dated 19th April 1929, from the Ahmedabad Millowners' Association to Chamber.

Your letter of the 14th March was duly considered by my Committee and was subsequently referred to the General Meeting of the members which took place last evening. The matter was discussed at great length after which the accompanying resolution was adopted by the meeting. The resolution is circulated to the members and the Maskati Mahajan has been duly informed of the same and they have been asked to meet our Committee to discuss this matter jointly if they so desired.

RESOLUTION

"As complaints about short lengths in piece-goods are received from the Maskati Cloth Mahajan and as such complaints are calculated to harm the reputation of the Ahmedabad Mills, members are strongly requested to inquire into this matter and to see that proper checks are maintained in regard to the lengths of the pieces so that no occasion may arise for such a complaint."

APPENDIX CXV.

ELECTION OF A REPRESENTATIVE OF THE CHAMBER ON THE BOMBAY IMPROVEMENTS COMMITTEE

No. 881 dated 19th April 1929 from Chamber to the Chief Officer, Bombay Improvement Trust

I am directed by the Committee of this Chamber to inform you that Mr. Many Subedar has been unanimously elected as the representative of this Chamber on the new Improvements Committee.

APPENDIX CXVI.

ELECTION OF A REPRESENTATIVE OF THE CHAMBER ON THE BOMBAY UNIVERSITY SENATE

No. 1082 dated 31st January 1929, from the Registrar, University of Bombay to Chamber

Section 13 (1) of the Bombay University Act IV of 1928, which has just come into operation, confers on the Indian Merchants' Chamber, Bombay, the privilege of electing one of its members as a Fellow of the University of Bombay.

2. In accordance with the provisions of Statute 6 of Chapter III of the first Statutes of the University, which have been approved by His Excellency the Chancellor, I have the honour to request you as Chairman of the Chamber to hold the election referred to above within five weeks from the date of receipt of this letter and to communicate to me the name, degree (if any) and the address of the person so elected.

3. The Statute referred to is quoted below for your information and a copy of the Bombay University Act IV of 1928 is forwarded herewith:—

"6. The Registrar shall notify to the several public associations and bodies referred to in Section 13 (II) (A) (iv) (a), (b), (c), (d), (e), and (vii), requesting them to elect their representative to be a Fellow of the University. Within five weeks of such notification, or in its next sittings whichever is the later, such election shall be held by the respective associations and bodies under rules to be made by them in this behalf and on the election being held, the said associations and bodies shall each of them make a return to the University intimating the names, degrees and addresses of the persons so elected by them."

No. 554 dated 5th March 1929, from Chamber to the Registrar University of Bombay.

I am directed by my Committee to inform you that the polling which took place in the office of the Chamber on the 28th February 1929 for the election of a Fellow to represent this Chamber on the Bombay University Senate resulted in the election of Mr. Kapilram H.

Vakil, B.A. (Bom.) M.Sc. Tech. (Manc.), F.I.E., M.I. Chem. E. His address is:

"Navsari Building,
Hornby Road, Fort, Bombay."

APPENDIX CXVII.

ELECTION OF A REPRESENTATIVE OF THE CHAMBER ON THE BOMBAY MUNICIPAL CORPORATION

No. El. 775 dated 26th November 1928, from the Commissioner, Bombay Municipality to Chamber

I have the honour to intimate that in accordance with the programme of the ensuing Municipal Elections approved by the Corporation under their Resolution No. 7398 of 15-11-1928 the date fixed for the election of a councillor by your Chamber under Section 23 of the Municipal Act of 1888, is Wednesday the 6th February 1929. In this connection I would invite your attention to Sections 15, 31 and 32 of the said Act.

No. 294 dated 7th February 1929, from Chamber to the Municipal Commissioner

I beg to inform you that the polling which took place in the office of the Chamber on the 6th instant for the election of the Chamber's representative on the Municipal Corporation has resulted in the election of Mr. Vithaldas Kanji as this Chamber's representative on the Bombay Municipal Corporation. His office and private addresses are:—

Office: c|o Messrs. Vissanji Sons & Co.,
9, Wallace Street, Fort, Bombay.
Residence: Gundowli Road,
Andheri, B. B. & C. I.

2. I beg to send to you herewith the return in duplicate showing the names of the candidates and the number of votes obtained by each of them as required by Section 32 (2) of the Municipal Act as amended by Bombay Act No. 1 of 1925.

Return showing the names of the candidates for one seat on the Bombay Municipal Corporation from the Indian Merchants' Chamber and the number of votes obtained by each of them at the election held on 6th February 1929:

No.	Candidates.	Votes.
1.	Mr. Vithaldas Kanji	228
2.	Mr. Kisondas Manmohandas Ramji	149

APPENDIX CXVIII.

MR. WALCHAND HIRACHAND'S SUGESTIONS RE: BETTERMENT OF CONDITIONS OF AGRICULTURISTS.

No. 9480-A|24 dated 1st August 1928, from the Government of Bombay, Revenue Department, to Chamber.

I am directed by the Government of Bombay (Transferred Depts.) to invite a reference to your letter No. G. 1604 dated 3rd August 1927 and to communicate their views on the suggestions made by Mr. Walchand Hirachand for the betterment of agricultural conditions.

2. Mr. Walchand's suggestion No. 9 for the handing over of the Government Arts Colleges at Dharwar and Ahmedabad to the Education Societies is not feasible. As regards his suggestion for the establishment of additional agricultural colleges at Dharwar and Ahmedabad, I am to state that there is no need for the establishment of any additional agricultural colleges at these centres as the necessities of the rural population can be adequately met by setting up vernacular agricultural schools which will be opened as funds permit.

3. Mr. Walchand's suggestion No. 10, viz: that the Agricultural Department should select in each district or taluka an enterprising agriculturist with a decent acreage who is prepared to use modern methods and is prepared to allow the public all the facilities and information as to figures, etc., for demonstration purposes and pay to him by way of subsidy or encouragement rebate of land assessment and irrigation assessment, if any, on such demonstration area, is being

considered in the light of the recommendations made by the Royal Commission on Agriculture.

The remarks of Government on the other suggestions will be communicated separately from the Public Works Department.

No. S-49-4-I W dated 15th February 1929, from the Government of Bombay, P. W. D. to Chamber.

I am directed by the Governor in Council to refer to your letter No. G. 1039, dated 20th May 1927, with which you sent the views of the Committee of the Indian Merchants' Chamber on Mr. Walchand Hirachand's suggestions for the betterment of agricultural conditions, and to reply as follows:—

Recommendation No. 1.

2. Mr. Walchand Hirachand's first suggestion is to the effect that all service roads of the Irrigation Department should be thrown open to the public for all traffic except motor lorries. Your Committee approves of this suggestion with the modification that service roads should be thrown open for all traffic except motor cars of any kind. In regard to this recommendation, I am to make the following observations:—

Sind.—At the outset I am to state that the term 'service road' in Sind applies generally to the road between the outer toe of the canal bank and the boundary of the canal land, and is distinct from the inspection road which goes over the canal banks or berms.

Canal service roads, when they are not also inspection roads, can already be used by the public wherever local conditions make it necessary. Such traffic adds significantly to their cost of maintenance. Indiscriminate throwing open of all such roads is not advisable, as the damage done by the vehicular traffic in the soft soil of Sind would be considerable and upkeep very costly. Government, however, have no objection to the use of service roads by the public, provided the District Local Board concerned contributes a sum to the upkeep of such service roads as are used, the sum being estimated by the Irrigation Department and agreed to by the District Local Board.

Inspection paths or roads cannot be made available to public traffic of any sort. These roads would be quickly cut to pieces if so-

used, as they are meant only for light occasional traffic. Besides, these roads are generally only 8 to 10 feet wide and hence it is impossible for carts to pass each other. Moreover, they are on banks which are ordinarily high and accidents would be likely to occur if traffic were allowed over them. Lastly the roads are used for inspections and for proceeding quickly to places where breaches occur and as cart traffic would soon damage their surface the roads would not serve the purpose for which they have been constructed.

Deccan and Gujarat.—The canal service roads in Gujarat are 'katcha' and very narrow being only bridle paths, and heavy expenditure would be required for converting them into pucca roads fit for public traffic. For the rest of the Presidency proper the only canal roads of any note are in the Deccan Irrigation Circle. Where these roads run generally on ground level at the toe of the canal bank, Government have no objection to allowing them to be used for general traffic, excluding lorries, provided the District Local Board concerned pays for the necessary initial improvements (widening, soling, resurfacing and metalling to withstand increased traffic) and for extra cost of maintenance. General traffic cannot, however, be permitted where the canal roads are on the tops of canal banks. In such cases the roads are generally on high banks and they are nowhere wide enough to allow of general traffic. Serious accidents would therefore be likely to occur. The cost of the necessary widening would be prohibitive, as would be the cost of providing proper surfacing for general traffic. The Bombay Local Boards Act of 1923 permits the levy of a cess on water rates. The question of devising an arrangement whereby the proceeds of the cess or a part of them should be utilised on improvements in communications in irrigated tracts is separately under the consideration of Government.

Recommendation No. 2.

The suggestion is under consideration and a further communication will follow.

Recommendation No. 3.

Government regret that they cannot accept the suggestion that the actual distribution of canal water be left to the Agricultural De-

partment as the distribution of water is intimately connected with the maintenance of the system of canals. Unless the Engineer is in close touch with the distribution system, he will not know what improvements are necessary in the various channels for their efficient working or what means he should devise to meet requirements under varying conditions. The reason why the individual requirements of the thousands of cultivators cannot always be satisfied immediately is not owing to any lack of exact knowledge of their requirements, which are reported daily by wire, but to the impossibility of distributing water to the various crops in different classes of soil in an area of several hundred square miles at the exact times and in the precise quantities required by individuals. This is essentially a problem in hydraulic engineering, the extreme difficulty of which can scarcely be realised by a layman. In a canal, irrigation cannot be increased or decreased suddenly; it is impossible, for instance, to irrigate a hundred acres one day and three thousand acres the next, and, in fact, in some cases water has to be let out from the storage tank seven days before it is required on the fields. It is clear what a difficult problem is thus presented especially when, after the cessation of heavy rain, all cultivators require water at almost the same time. The Irrigation officers acquire sufficient knowledge of agricultural operations and are in touch with the Agricultural Department. Government have also issued orders regarding the need of co-ordination between the Agricultural Department and the Public Works Department in regard to Irrigators' Associations, and I am to enclose herein a copy of the Government Resolution on the subject. Mr. Walchand's suggestion would further have the effect of creating dual control, which in the opinion of Government could not possibly work satisfactorily. On account of these considerations it is essentially necessary that the authority that has charge of the canals should have also full control over the distribution of water from them.

Recommendation No. 4.

Mr. Walchand proposes (a) that water for green manuring should be given free and (b) that water for green fodder should be given free.

As regards (a)—I am to state in the first place that irrigation works are quasi-commercial undertakings and have been constructed by Government at great cost and consequently a free supply of water therefrom for any purpose cannot be allowed.

Further as a green manure crop costs about Rs. 34 an acre to grow, the remission of a Rs. 4 water rate will not do much towards encouraging the growth of green manure. Nor do Government consider it a sound policy to attempt to encourage certain methods of cultivation by giving free water, the cost of which will have to be made good by other irrigators. Green manuring is chiefly required for growing cane. Such a concession as that recommended by Mr. Walchand would therefore favour the cultivator of cane as against the cultivators of other crops.

As regards (b)—Mr. Walchand's proposal is to give free water for green fodder 'particularly when the fodder is intended to be used for the irrigator's own cattle'.

First of all, it is clearly impossible to watch each cultivator and see what he does with his fodder. Secondly, there is no more reason why he should get free water for green fodder than for any other crop. If he gets free water for green fodder he may grow more and will then sell more to his own profit at the expense of Government.

Under the circumstances, Government regret that they cannot accept Mr. Walchand's suggestion No. 4.

Recommendation No. 5.

Apparently Mr. Walchand wants open channels for lift irrigation on the upstream side of canals instead of wells fed by percolation from the canal. In certain cases in the Deccan Irrigation Circle outlets on the upstream banks are allowed when the owner of the land is in a position to lift water by means of a pump and an engine. To allow every owner of a field capable of being irrigated by lift on the upstream side of a canal an outlet channel from which he could lift water by means of a shallow well and mote would mean that the upstream bank of the canal would be riddled with outlets. If, however, several owners would combine on one outlet, Government see no great objection to this proposal. Cast-iron pipes through canal embankments

without proper masonry headwalls would inevitably cause breaches and could not possibly be permitted.

Recommendation No. 6.

Government do not think that the present system of regulating areas can be improved upon. The present system does not amount to a guarantee that every irrigator who has been allowed an area will receive a measured quantity of water, but it does mean that, given proper distribution, efficient use and no waste of water by the irrigators, the areas given out can be adequately irrigated with the supply available.

Recommendation No. 7.

Adoption of this principle might mean undue preference being given to the capitalist at the expense of the poorer cultivator. Attention however, can be, and is, given to the points mentioned in the recommendation, but other conditions have also to be taken into account, such as

(i) irrigation of isolated areas is not economical; and

(ii) irrigation of land at the tail of a canal is not so economical as irrigation of land near the head.

Recommendation No. 8.

All cases are decided on their merits and Government are of opinion that they should continue to be so treated.

Recommendations Nos. 9 and 10.

As the subject matter of these two recommendations pertains to Government in the Revenue Department a reply will be sent to you by that Department.

Resolution of Government.

Irrigators' Associations:.
Co-ordination between the Agricultural and Irrigation Departments in regard to:—
Government of Bombay.
Public Works Department.
Resolution No. 854.

Bombay Castle, 26th October 1923.

The Indian Sugar Committee in paragraph 179 of their report laid stress on the importance of having close and intimate relations between the members of the Irrigation Department and the cultivators and welcomed the movement towards the formation of Irrigators' Associations in the Bombay Presidency as a step in the right direction. Such Associations have already been formed on important canals in the Deccan, for instance, on the Godavari and the Pravara, and the question of extending their scope and utility has been engaging the attention of Government. In this connection, greater co-ordination between the members of the Agricultural and Irrigation Departments is very desirable. With a view to attain this object, Government are pleased to lay down the following instructions for the guidance of the officers concerned:—

(a) The Agricultural Department should arrange to have officers of the Irrigation Department invited to all meetings of those Associations on the Nira Canal on which they alone are now represented and the Irrigation Department should similarly arrange to invite Agricultural Department officers to the meetings of the Godavari and Pravara Canals Associations.

(b) Irrigators' Associations should be formed on all other canals on the lines of the Godavari Irrigators' Association.

(c) Members of both the Agricultural and Irrigation Departments should, as far as possible, attend all meetings of such Irrigators' Associations, so that the officers of both Departments can compare notes at regular intervals after hearing the views of the cultivators. Government feel confident that these orders, worked in the proper spirit, will help to secure more effective co-operation between the two Departments and will also prove most useful and beneficial in the interests of the cultivators themselves.

By order of the Government of Bombay,

W. N. CARTLAND,

Under Secretary to Government.

No. 2082 dated 10th September 1929, from Chamber to Government of Bombay, P. W. Department.

I am directed by my Committee to refer you to your letter No. S-49-4-IV, dated the 15th February 1929, re: above, and in reply to write to you as under:—

Suggestion No. 1: Mr. Walchand Hirachand when he made the suggestion had in mind the Deccan, and there too, canal roads which are not on the top of an embankment. He had in view particularly that portion of the canal roads between Ravalgaon and Lakhmapur on the Girna canal in the Malegaon taluka. If this and similar other roads reserved for inspection only by Irrigation Department officers were made available to the public in their existing condition, Mr. Walchand's suggestion was, as they were circuitous roads running parallel to the canals and not going directly or straight to particular towns, the traffic on them would not be much but they would be useful, as he said in his note, for inter-farm traffic as also traffic between various villages on this canal. The procedure suggested by Government of including roads by either widening or metalling was not contemplated nor was it expected to be necessary. If, however, the wear on the road necessitated cost of maintenance exceeding the present scale, Mr. Walchand agree to a toll on the existing scale being levied on the users of this road. It is not necessary for this purpose to hand over these roads to the District Local Boards or to expect an undertaking from them. As this procedure may give rise to various questions of principles and probably some complications, toll contract can be auctioned by the Collector as he does similar other contracts in the district, the proceeds being handed over to the Irrigation Department.

Suggestion No. 2: My Committee beg to hope that an early reply will be forthcoming with regard to this.

Suggestion No. 3: The difficulty suggested by Government has been appreciated and that is why the word "maintenance" was added to the word construction in our recommendation. Maintenance was intended to include the behaviour to all the channels and all technical questions as far as Engineering was concerned, but in this time of specialisation, when particularly agricultural officers were available and

were distributed throughout the area, the question of how much water should be given for each crop and when, is, to our mind, an agricultural question rather than an Engineering question. Having ascertained this idea, the agricultural officer would naturally then collaborate with the Irrigation Department and try to meet his engineering difficulties, if any, and come to a decision which will give maximum benefit. It is admitted some Engineers have started, and some of them successfully, to learn and understand agriculture as technical subject, but such questions should better be handled by the Agricultural Department who are, and should come, in close contact with the cultivators.

Suggestion No. 4: My Committee do not mean that water for green manure and green fodder should be given as a free gift. What they want is that its cost should be recouped from other crops.

Suggestion No. 5: It is admitted that in theory what Government say about the upstream bank of the canal would be riddled with outlets is correct, but in practice, it has been found, there are very few cultivators who are prepared to lift water and, therefore, the proposition from practical experience is one which should be given effect to. It is not possible for several owners to combine nor is it economic for them to lift water from one common well and take it to the field of every one of them.

Suggestion No. 6: This recommendation was made, as it was found necessary after experience. Instances are known were irrigators were told that they would not get water for one season or two. The irrigators who were in the habit of getting water, had developed their lands and it was not right to tell them that they would not get water.

Suggestion No. 7: My Committee are of opinion that priority should be given according to the seniority of holding and according to better cultivation.

Suggestion No. 9: My Committee recommend to the Government of Bombay strongly that the Arts Colleges at Dharwar and Ahmedabad should be handed over to some educational society and that their place should be taken up by agricultural colleges. It is found that the Agricultural College of Poona, which is the only agricultural college in the Presidency, is too small for the large number of students who want to

study agriculture. Under these circumstances, my Committee feel, Mr. Walchand's suggestions should be backed up.

Suggestion No. 10: My Committee would be much obliged if Government would kindly let them know as to what conclusion they have finally arrived at regarding this suggestion from Mr. Walchand.

APPENDIX CXIX.

QUARTERLY GENERAL MEETINGS OF THE CHAMBER.

Speech of Mr. L. R. Tairsee, President of the Indian Merchants' Chamber, at the First Quarterly General Meeting of the Chamber, held on Saturday, the 27th April 1929:—

Gentlemen,

Before we proceed to formal business, I will refer to the bomb outrage. I am sure each and every one of you will agree with the Resolution of the Assembly which expresses its profound relief that results were not more serious, and which places on record its sense of sorrow and indignation at the dattardly outrage that was committed in the House on the morning of the 8th instant.

The cult of the bomb—the gospel of physical violence—is foreign to India of Asoka and Buddha, to India the home of Jainism, and to their successor Mahatma Gandhi, and it is his teachings of Non-violence and Ahimsa, more than the Penal Code, that stand between the bomb and the bomb-thrower.

The course of history in the past has not changed by assassination nor is it likely to be deflected in the future by this short out. "The bomb and the knife", to quote Mahatma Gandhi, "derive their lease of life from the world's belief in violence for securing supposed justice", and I am afraid mere condemnation will not remedy the evil. Such and similar deeds of violence can never be completely disentangled from the mileu and ground in which the thought behind the deed finds its sap. This effect defective comes by cause, and the cause of this effect, or rather of this defect, is to be found in the world's belief in Force. Till the world believes in Mahatma's philosophy of Soul-force, Acts and Ordinances can but check, but not eliminate, men who

will be tempted to seek promotion of their purpose by resort to crime,—be the means either the bomb or blade or chemist's bottle.

Since we met last, as you are aware, Bombay passed through its bath of blood, immediate exciting cause being what is known as "Pathan kidnapping scare". Now that the trouble is past—let us hope never to return—all of us will agree that it is too much to believe that the scare by and in itself alone, should have brought about lawlessness unprecedented in the history of Bombay. This reminds us of a similar small ridiculous cause as the bolting of a pony in the crowded streets of Delhi in 1926 having started a riot between the Hindus and Mahomedans.

That such a ridiculous cause or causes should lead to serious riots indicate that the real source of trouble must be found in predisposing or preparatory causes, not forgetting in this connection what Mr. Bon says in his classical book on the subject "The Crowd". He states that the unconscious play a large part and act like a force unknown in all our acts, and illustrates it by pointing out how the perceptible phenomena can be compared to the waves which are but the expression on the surface of the ocean of deep-lying disturbances—currents and under-currents of which we know nothing.

I do not propose to go further in the matter as the Government of Bombay have accepted the public demand for enquiry and have now appointed the Riots Enquiry Committee, and let us hope the Committee will be able to fathom the trouble to its source.

In this connection I must refer to the help sane, and sober members of the Hindu and Muslim communities rendered to each other, indicating that where there is goodwill, the force of disorder not only cannot affect it but in its turn, the turbulent elements could not but be influenced by the general goodwill of the members of the communities to which they belong. Nor can I omit referring to the movement initiated by Sir Reginald Spence, the Sheriff of Bombay, for appreciation and recognition of services rendered by the rank and file of the Police—better known as "Pilipagris"—and it is a matter of regret that such an appropriate move fell through because of the motion of adjournment of the House in the Provincial Council raising the question

of Government policy in this regard, a policy in which the members of the Force have no voice. If

"Some one had blundered,
Theirs not to make reply,
Theirs not to reason why,
Theirs but to do and die".

It is because of this, and as I was connected with the work of Hindu Relief operations that I think I must refer publicly to my sense of obligation to Mr. P. A. Kelly and his staff—some of whom I had never met before, but know them by name—for rendering help without which relief to the distressed would have become, if not impossible, more than difficult.

As you are aware, your Committee early this week met the Hon'ble Sir George Schuster, Finance Member of the Government of India, and discussed with him the question of the Ratio and general financial policy of Government. As a statement of the interview is likely to be published in a day or two, I do not propose to-day to cover the same ground, but I cannot refrain from saying that I do not agree with the Hon'ble the Finance Member that the question of the ratio is to be considered as a settled fact on the doctrine of "Factum valet". The new ratio has inflicted a loss which we find reflected in the present state of our industries and the general depression, but all this can, and will be rectified only when India comes by her own and has a genuine Gold Standard as other countries have, which will not be forthcoming till the financial administration of the Government of India is de-Britainised and Indianised and India becomes master of her own destinies.

Speaking on "Labour" at the last Annual General Meeting, I stated that the claim of labour to democratic control in industry follows logically and immediately upon the recognition of its Humanity and that capital must get out of its head the idea that Labour is something that can be extracted from the labourer and emphasised that Labour in its turn must recognise and realise that Capital is not the fifth-wheel of the industrial car, but petrol, its driving power without which it cannot move, and when this is realised then Capital and Labour will go together and what Mr. Cole speaks of as "depersonification" of in-

dustries will cease; and ended by appealing to both Labour and Capital to put their heads together and devise ways and means by which the industries of the country are carried on on **rational and national lines,** in which "mavali" and "dadagiri" methods of collective bargaining have no place.

Since then the report of the Bombay Strike Enquiry Committee, better known as the Fawcett Committee, has been published, and I am sure, I am voicing the sentiments, both of Labour and Capital when I say that their best thanks are due to the Committee for the report. The general result of the Enquiry is:

> "that we (the Committee) regard the proposals of the Millowners' Association (a) for Standardisation of wages, duties and numbers of operatives in a mill (paragraphs 197 to 204 and 294 to 299), and (b) for Standing Orders for the operatives about the conditions of their employment (para 126), as being in the main fair and reasonable. On the other hand we consider that, while there is justification for the Association's proposal to make a cut of 7 1|2 per cent. in weavers' wages, which is discussed in Chapter V, there are reasonable objections to be urged against its adoption in the present circumstances, and we recommend that it should be dropped by the Association, provided the Labour leaders undertake to co-operate in working the Standardisation Scheme (Para 239)."

It strikes me that the position of Labour and Capital **before** the Enquiry was not different from that of warring nations in years 1914-18, each of whom claimed that he was out to make the world safe for democracy but the end showed that the said slogan was misleading and what could settle the contest, partly and partially, was the Locarno spirit. If the report of the Fawcett Committee emphasises one thing more than another, it is the need of conciliatory and sympathetic attitude on the part of Capital and responsive co-operation on the part of Labour. I understand the Millowners' Association are likely to accept the findings of fact recorded in the report, and I would earnestly commend to the Labour leaders the desirability of a similar acceptance. This will certainly help to bring about an early solution of the many debateable points still at issue between the parties.

The principle of standardisation of wages and muster rolls has been conceded by Labour. The scheme as framed by the Owners is workable, if Labour makes an earnest effort to join hands with the Owners to bring it to successful fruition. Schemes of standardisation have been found to be suitable for other industries and in other countries where they have been applied, as one of the means of overcoming acute trade depression.

Labour would do well to do all in its power to carry the proposed scheme through as the Millowners' Association have agreed to consider the possibility of accepting the Fawcett Committee's recommendation to waive the cut of 7 1|2 per cent. in weavers' wages, which the Committee hold the Owners would be justified in making. Provided the question of the wage cut is settled satisfactorily, there should be no great difficulty in getting the Millowners' Association's consent to the Fawcett Committee's recommendation regarding consolidation of the dear food allowance in the basic wage.

If labour leaders are actuated by a genuine desire to advance the general interests of the industry, I will suggest that they should henceforth abandon all minor issues in their dealings with the Owners and concentrate on the straight issue of co-operating whole-heartedly with the Owners in effecting those changes in the industry, which are essential to its present well-being and future prosperity.

The Millowners' Association's Committee have been meeting members of the Joint Strike Committee representing all the Textile Unions in Bombay to discuss the various proposals contained in the report. The one result, which I have great pleasure in taking a special note of, that has emerged from these joint discussions is the acceptance by both sides of the Mediation Rules which provide machinery for the joint discussion of the subject matter of a dispute before any strike or lock-out takes place. The rules are based on the regulations in force for the settlement of trade disputes in the Cotton Textile Industry in Lancashire. In the conciliation machinery proposed to be set up, a real step forward has been taken for the practical solution of future disputes in the industry. Labour would be advancing its best interests if it gave the conciliation machinery a fair trial.

The other directions in which the Fawcett Committee make commendable suggestions for promoting industrial peace are their recom-

mendation to accept the Standing Orders for the conduct of workmen and their acceptance of the Rationalization Scheme, as put forward by the Millowners' Association, to be reasonable.

For the sake of peace in the industry, it is to be hoped that both sides will make all possible endeavours to meet each other in a spirit of toleration and good-will in arriving at a solution of the difficulties that have so long beset the industry.

The Fawcett Committee provide, in their conclusions, a basis on which both sides could proceed to achieve the greatest common measure of agreement. But Labour will have to realise that there will have to be a radical change in their methods of agitation for settling of their grievances. In the past a strike has always preceded statement of grievances. If the Millowners and the Trade Unionists show a greater spirit of co-operation and work together for the common good, they will find that many rough places could be smoothed over. many gaps between labour's demands and the Owners' offer could be bridged, many difficulties hitherto considered to be insuperable would disappear.

That being the situation—at least as I understand it—is it too much to expect genuine co-operation between Labour and Capital? I hope each of them henceforth will be guided by reason and the brain, and not by impulse and the spinal cord, and to each will be present not so much their "rights" as their "duties". I will suggest to them, for a time being at least, to put their copies of Paine's "Rights of Man" on their library shelves, and to pull out their Mazzini's "Duties of Man", and draw their inspiration thereform.

It is hardly necessary to impress this on the Millowners' Association, as to judge by what their representative in the Assembly stated that "they realize too well that Government allowed India's premier industry to bleed slowly to death without raising a finger." It being so, will it be out of order, to request Mr. H. P. Mody—their new representative, who is also their Chairman—to coquet less with Government and make more love to Labour, "to whom for better for worse, for richer for poorer, in sickness and in health, to love and to cherish" he is joined and let no one put them asunder.

On the other hand, I take Labour has also now realised that lip solicitude of outsiders for their welfare is not such an act of disinterestedness as they at one time were led to believe, and that as good house-wife—as divorce is unthinkable—he must make the best of situation no longer play—however unconsciously—the game of Power that "floats unseen amongst the industry and casts on it its awful shadow".

The Cotton Textile Industry is the premier industry of this Presidency, and I may, therefore, be excused if I take up a little time over it. I am not opposed to the Textile Industry going to the Tariff Board for measures of protection. We have not, however, a happy experience of the activities of either the Tariff Board or the Government of India in this connection. You remember very well how the Textile Tariff Board recommended a mild measure of protection for the Cotton Textile industry, and how even these mild and moderate suggestions were turned down by the Government of India, who have apparently played a part throughout of a step-mother to this indigenous industry. Even this should not discourage us, however, from again and again knocking at the doors of Government for protection which is the industry's right and privilege. At the same time I cannot help emphasising that the unofficial protection in the shape of response from the people themselves, if appealed to, will prove more effective and powerful than any protection which the Government, who has one and right eye always fixed on the interests of Liverpool, can vouchsafe to the Industry. The present time offers psychological moment for getting such an unofficial protection from the public. A wave of Swadeshi has spread over the country, and nothing better can be done by our cotton textile manufacturers than to utilise the present Swadeshi feelings for the development of the indigenous industry. The Swadeshi movement bursts out in the country like a sudden storm. Unfortunately it comes and goes away in a short while, leaving the people and the manufacturers as indifferent as before. What is wanted of our manufacturers is to harness these fleeting moments and make the Swadeshi stay permanently in the land. When one examines the history of the Swadeshi movement during the last quarter of a century, one is amazed at the opportunities offered lost by the manufacturers. The public feeling is there, and if our friends, the Millowners, organise themselves for propaganda and

publicity work, for systematic salesmanship and careful tapping of the market, I am sure they will have no cause to complain atleast with regard to the response of their countrymen. Unfortunately, many of our manufacturers have not imbibed the tenets of Swadeshi themselves. They have not appreciated, in their own person, His Majesty's exhortation to the British people to be true Swadeshites, nor the efforts of Mr. Baldwin and others to encourage Home manufactures at all cost. The newly founded League of Empire Housewives should furnish them food for thought. The object of all these movements in Great Britain is to encourage the men and women to use goods primarily made in Great Britain. Our manufacturers in order to evoke the necessary response should themselves be live and walking advertisements of their products. Nothing appeals to the mass mind more than example, which is better than precept. "Buy British Goods" is at present the slogan of all parties in Great Britain, and similarly "BUY INDIAN GOODS" should be the slogan of every Indian and child of the soil. I would suggest starting of a league, which may well be termed the "Swadeshi League," on the lines of the currency league organised at the time of the agitation against the new ratio of 18d. The Swadeshi League can well concentrate on betterment, progress and development of Indian industries, and politically oppose all means that go to thwart its progress. I am against multiplying agencies for public work, nor am I in favour of creating institutions which have more of a fissiparous than of a cohesive tendency and which act more as a centrifugal than as centripetal force. The Swadeshi League, however, on the lines I have suggested, would be a movement in the right direction and a powerful force for getting the non-official but National protection for the Cotton Textile and other industries which are denied adequate protection.

Having stated what I consider best constructive programme most suited to our present requirements, may I appeal to you, one and all, to act henceforth as consecrated men, whose hearts, in the word of the poet.

"were full, We made no vows, but vows
"were then made for us, bonds unknown to us
"were given, that we should be, else sinning greatly
"Dedicated spirits".

My prayer is that henceforth we be consecrated men and dedicated spirits, whose object should be **industry and our country, our whole country, and nothing but our country.**

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Just at the time when the Fawcett Committee had created an atmosphere of peace and goodwill, and had suggested machinery for conciliation and reconciliation, it is a pity that the Mill industry should be in throes of another general strike. The issue to my mind is too small and puerile and time most inopportune for belligerent action. I realize the question of dismissal and victimization of workers is important to Labour, but its remedy lies in creation of complete machinery for negotiation and in seeing that such a machinery is fully used before any stoppage of work, whatever the cause.

If the Millowners and the Strike Committee cannot agree on this matter which was local to a mill or a particular group of mills, they could have appealed to a man like Mr. Mathuradas Gokuldas or Mr. Mulraj Khatau, men who know the industry and its technics from A. B. C. to X. Y. Z., and who are sympathetic to Labour, but to have allowed a dispute local to a Mill to lead to general strike is ridiculous. Both must remember that the quarrel is not personal to Labour and Capital, but is a public question and public danger, in which others are equally interested. Even now it is not too late to call off the strike and go to arbitration of gentlemen I have named or some others or the Indian Merchants' Chamber, but to continue the strike is to cut off one's nose to spite the face, and whoever of the two parties wins, it will be a Cadmean success or better as we have in Gujarati "જીતે તેનું આખું મોં કાળું, હારે તેનું અરધું મોં કાળું" and whosoever's is the gain, certainly the loss will be of the industry.

It is time that the employed and employer of Bombay recognised the need and value of smooth working and set up machinery to carry out this object. While no one denies to Trade Union officials to act as watch-dogs against employers, it is time, and none too soon they realized that "collective bargaining" by which they understand and blind tug of war gave place to "joint ascertainment" and settled habit of constant consultation between the

management and workers; and each learnt to know and trust the other, and that their negotiations, even when acute differences arise, are carried out in a friendly spirit and with a background of mutual confidence. We want in our industry the Wilsonian spirit which was very much ridiculed and caricatured in America before the United States entered the world war. The cartoonists showed Woodrow Wilson in the year 2000, writing his 10,000 note and at each news of sinking of ships his Secretary asked him "Shall I bring the Sword", and he said: "No, typewriter".

Till the Trade Union officials imbibe the spirit and pattern themselves on Wilson, and exchange their "Whistle" and the "red flag" for pen and paper and round table—in short give up "dadagiri" methods of agitation—I am afraid we are not likely to see peace and harmony in our local industries.

Speech of Mr. L. R. Tairsee, President, Indian Merchants' Chamber, at the Second Quarterly General Meeting of the Chamber on Saturday, the 27th July 1929:—

Gentlemen,

I have pleasure in placing before you the report of the Committee of the Chamber for the 2nd quarter ending 30th June 1929.

SERVICES OF THE LATE MR. MADON.

The first item I will refer to is the sad and untimely death of our colleague Mr. B. F. Madon. The Commercial community in general, and our Chamber in particular, suffered a great loss in the death of the well-known economist and financial expert, Mr. B. F. Madon. It may be truly said of him that he was a man **"Sans pareil et sans reproche."** Your Committee passed the following resolution recording his services, and also resolved that his oil-painting be placed in this Hall. The necessary amount has already been subscribed and we hope to be able to unveil his portrait when we meet next.

> "The Committee of the Indian Merchants' Chamber place on record their sense of deep and irreparable loss to the Chamber in particular, and the country in general, caused by the sad and untimely death of Mr. B. F. Madon, who was a member of the Committee for the past several years, and an Ex-Vice-President

of the Chamber. Mr. Madon rendered valuable and conspecuous service to the Chamber, the commercial and industrial community and the country in general. His profound economic and financial knowledge was always at the disposal of the public. His relentless, unremitting and persevering fight against the currency policy of Government will ever be remembered as a work of lasting importance to the country. In him the Chamber has lost an able Counsellor, a firm advocate and an earnest and selfless worker, whose place it would be difficult to fill. Resolved that a letter of condolence to the above effect be addressed to Mrs. Madon."

A subscription list has also been started to raise a public memorial to him, in a form, in consonance with his life-work and ideals. I appeal to all members of our Chamber to send in their subscriptions to this Fund; Whatever we may do, it will fall short of the recognition due to Mr. Madon because of the great services rendered by him to India's agriculture, commerce and industry.

MILL STRIKE.

The Mill strike which began earlier continued throughout the quarter. I would have liked to say much with regard to this abcess which is draining away the vitals of Bombay, but for the fact that the Enquiry Committee is at present sitting and I do not like to prejudice the case of either party to the dispute by offering any comments just at present.

IS INDIA PROSPEROUS?

Among public speakers and writers no one commands greater attention and eclat of the bureaucratic gods and of the greater goddesses of the Anglo-Indian press, than one who waxes eloquent over the prosperity of India and the contribution made by Great Britain to this prosperity. Various Schools of Indian Politics may differ with regard to India's ultimate goal, and the constitutional questions connected with it, but they are all agreed that the British connection has not worked for that prosperity of the country which is possible otherwise, and that the continuous and continued exploitation and stepmotherly treatment of Great Britain towards this country in the matter of development of industries and agriculture has left India in an an-

æemic condition. Some go so far as to question if it will be worth while having Swaraj when it means taking over of practically a financially dead body.

It is healthy etiquette that Consular Officers should not dabble in the politics of a country. Mr. Spofford, the American Trade Commissioner, who has recently returned to Washington, has apparently broken this salutary rule, and dilated upon "the rapid improvement in India's economic situation and the favourable conditions preveiling practically in all branches of industry." In this country, particularly despite the advice of Dr. Drummond Shiels, the new Under Secretary of State for India, economics and politics are too closely interwoven to be separated—in fact they are organically related to one another like fingers to a hand or the heart to the lungs. I believe that the same is the case with regard to other countries though sometimes we are tried to be doped with the interested formula "business is business and has nothing to do with politics."

The prosperity or otherwise of a country is an acid test of its rulers; it is because of this that interested propaganda is being carried on in all parts of the world by the shrewd diplomatic foreign men and women to misrepresent India as prosperous, and with ever-growing prosperity. It is a part of the same sinister propaganda that the social and religious institutions of the people and their moral and mental characteristics, are condemned and traduced. Are the men and women who carry on such propaganda aware of its logical implications? If things are as they allege, they condemn ipso facto the British rule after its innings of a century and a half. The deep and grinding poverty of the people is an eloquent condemnation of that rule, which, instead of finding ways and means to relieve it, takes steps which have the further effect of sapping the vitality ever oozing out of the country. And yet, critics like Mr. Spofford, who have breakfasted, lunched and dined on Government publications, and in Clubs and Government Houses, find nothing better to say on their return to their native countries, than that

> "India stands to-day on a firmer economic basis than she has ever done. Her credit, internal and external, has never been so good. The agriculturist is prosperous, stocks of

imported goods are light, exchange has been stabilised, taxation has been reduced and the outlook of the export trade is promising."

Let us examine these soap bubbles. Let us take the statement that favourable conditions prevail practically in all branches of industry. What are the actual facts? It cannot be denied by these Pharisees that the Cotton Textile Industry of Bombay, which is the staple industry of the Bombay Presidency is going from bad to worse, and even an itinerant globe trotter, with Government goggles on, can see how the industry has been faring under **"discriminating** protection". The constant representations in the Press and the interviews of Government members with representative commercial organisations should have shown anyone but a bat that all is not well in the country. Then there is the Iron and Steel Industry, the woes and vicissitudes of which are writ so large that he who motors or aeroplanes can read them. The shipping industry, waiting to be inoculated by the Haji sirum, is in no better condition. Look at the insurance premia, nearly ninety per cent. of which go out of the country. This being so, I wonder that a man occupying the responsible position of the Trade Commissioner of U. S. A. should have the temerity to make reckless and unfounded statements contrary to all facts regarding the so-called prosperous condition of Indian industries.

India's credit—I mean internal credit—is so great(!) that the Government of India had to offer handsome terms for the last two years for their loan requirements, and despite this, cash subscriptions of a little over 12 crores were obtained this year where 18 crores were called for. As to her **external** credit, the Secretary of State for India had to offer better terms than what are obtained by some of the British Municipalities and petty colonial and foreign Governments.

Is Mr. Spofford right when he says that stocks of imported goods are light—implying thereby that this is an index to the growing prosperity of the country? The fact is that the imports have increased. You know best, gentlemen, how these imports have been **ratiolly** forced to rise. Let me quote to you the scathing condemnation by Mr. Jamshedji Ardeshir Wadia regarding these increased imports. In this connection I will remind you of the remarks recently made by

the Right Hon'ble Phillip Snowden, Chancellor of the Exchequer, that an increase of six shillings in the purchasing power per head in India would mean purchasing more goods from Great Britain to the extent of 87 million pounds. Mr. Wadia reminds the Chancellor of Exchequer that in that regard he has already been anticipated and says:

> "Perhaps the Chancellor of Exchequer is not aware that the Indian Government has already increased India's purchasing power by raising the exchange from 16d. to 18d. A glance of the following figures will show you our exports and imports under the influence of high exchange, at the end of 1924.

	1925-26	26-27	27-28
	(In crores of rupees)		
Imports	143	156	181
Exports	246	228	248

> The above figures are for **merchandise** only, and you will easily see that imports have materially risen, while exports stood nearly still. This has been the boon of high exchange."

No country in the world considers its prosperity in terms of increasing imports at the expense of its exports. And yet politico-economists like Mr. Spofford, whose own country is protectionist with a vengeance, add insult to injury by congratulating India on her increased imports. He has nothing to say about the disaster which has followed in the wake of the artificially increased ratio. Surely the Trade Commissioner of an important foreign country like the United States cannot be supposed to have stopped in the country keeping his eyes hermetically closed to the effects of the increased ratio which are seen in strikes from one end of the country to the other, unemployment, depression and weak response to Government loans, etc. Mr. Spofford, however, not content with airing his views on the conditions of industries, has the hardihood to speak on agriculture also. A local Anglo-Indian paper which pats on the back anyone who speaks or writes about the prosperity of the country says in its recent leading

article, that Bombay is not India and that Bombay is lodged on one of the outer islands of an enormous village country. According to it this new Evangelist, Mr. Spofford, "has discovered that the representative of these villages, the agriculturist is prosperous" and it moralises "how little we in Bombay must know of India.' We Indian citizens of Bombay do not know of India, but this foreign Trade Commissioner, who must have hardly put his foot in a single Indian village, and whose knowledge, whatever that amounts to, on the village conditions, must have been derived either from the efforts at **journalesse** of the Government of India Publicity Department or from some sun-dred bureaucrat, can pose as an expert on this question and pass judgment that the agricultural is prosperous and that the outlook of the export trade is promising.! The parting gift which Sir Basil Blackett gave to the agriculturist in the form of an increased ratio was indeed meant to make him prosperous! As you must have seen from the figures just now quoted, the exports from this country are almost stationery. The export trade of the country has suffered much and the agrarian discontent in different parts of the country has shown how the prosperity of the agriculturist is but a myth. I have spoken on this question at this length not because of the individual views pronounced by one official, but because I feel we have to fight what is called the Mayobrand mentality, a mentality, which while on the one hand condemns Indian institutions and traduces Indian character, takes pleasure on the other hand in glorifying what the British have done for, and in this land.

I do not say—and do not wish to be understood to say that the British Rule in this land has been entirely bereft of any benefits. But I join issue when it is claimed that the British Rule has proved a supreme blessing for this country and has made India prosperous. While recognising what Great Britain has done for us, we would be failing in our duty if we were not to point out the serious defects of British administration and all the sins of commission and omission for which it is manifestly responsible. Blue books, reports of Commissions and Boards of Tariff Enquiry are generally dull reading. But those on India are interesting exhibits as they form record of one of the greatest tragedies of foreign rule. In them England has written

down her own indictment against herself and has given to the world the history of her exploits and exploitations.

We welcome the desire of the new Chancellor of the Exchequer to increase the purchasing power of the Indian ryot. Let him, when he is well settled in the saddle, acquaint himself with the affairs of the country and realise how the Government of India has so formulated its financial and economic policy that the purchasing power of the country has shown signs of increasing decrease. In this connection I refer you to the speech of Sir Ibrahim Rahimtoola at the Madras session of the Indian Industrial and Commercial Congress in 1927 wherein he said that it was a shortsighted and narrow economic vision which made England indifferent to the economic interests of this country, and pointed out that a really prosperous India would be the best asset of England. A rich and satisfied customer is the best asset of the seller. From this point of view, not dissimilar to that of a landlord to his tenants, the long-sighted interest of England should be to see that her customer is rich and prosperous and not poor and famishing. England economically thinks of India in terms of an outlet and opening for unemployment at home. This argument—is "argument ad interestum" if one may so call it, also presupposes rich and prosperous, and not poor and famished India. This—as nothing else can—should plead with England the cause and prosperity of India. To-day England and India stand on the crossways—halting halfway between the past and the future, and let us hope they will take the road that lead to brotherhood of men and nations, to Democracy of the World and Republic of Humanity.

After the Fresidential address of Mr. Tairsee while presenting the second quarterly report of the work done by the Committee of the Chamber, Mr. Sarabhai Prataprai in a vigorous speech emphasised the necessity of carrying on agitation to ameliorate the manifold economic and industrial ills of the country. He also strongly criticised the apathy of the Government of India towards the trade and industries of India.

Mr. Behram N. Karanjia then spoke about the possibility of the development of the artificial silk industry in the country and the necessity of further protection to the Indian Mill industry. With regard to the opium policy of the Government of India, Mr. Karanjia observed

that great injustice was done to India by that policy. He said that he was personally of opinion that the whole matter should again be re-opened.

Sir Purshotamdas Thakurdas congratulated the President on the able manner in which he had criticised the unwarranted and misleading remarks made by Mr. Spofford, the American Trade Commissioner in Bombay, who had recently returned to America. He fully endorsed what the President had said. He said that he was sorry that responsible officers of independent States like America who claimed to be champions of the highest ideals of democracy and liberty should indulge in misrepresenting the economic and industrial conditions of other countries.The economic advancement of India or otherwise was writ largely in the all-round industrial decadence and depression of her trade, commerce and agriculture, and it was surprising that Mr. Spofford should see signs of economic and industrial regeneration in the country. If he had nothing better to report to America after his sojourn there, personally Sir Purshotamdas felt that he might as well not return to India as the Trade Commissioner of the U. S. A. in this country. If Trade Commissioners and Consuls desire to have any correct information regarding the condition of trade and commerce of our country they should refer to commercial associations and bodies like Indian Chambers of Commerce, etc., rather than act as propagandists convenient to Anglo-Indian interests in India. Sir Purshotamdas struck a note of warning to other Consular services in the country not to imitate Mr. Spofford's attempts. Anyhow Indian India was not prepared to tolerate any such propaganda in foreign countries.

Referring to the speech of Mr. Sarabhai Prataprai, he observed that his remarks were always refreshing. Mr. Sarabhai was well-informed but he felt that if he concentrated at a time on one particular subject rather than traversing a wide field of different subjects, he would be able to do full justice to the same.

With regard to the suggestion of Mr. B. N. Karanjia re: the Opium policy of the Government of India, Sir Purshotamdas observed that it appeared to him difficult to ask the Government of India to revise their opium policy in view of the Government's commitments till now. The Government of India had committed themselves to

completely stop the export of opium by the end of 1935 and the revenue derived therefrom would automatically cease then. He conceded that Persia, Turkey and some other countries did still grow opium for export purposes, but as far as India was concerned he feared the chapter was closed at the moment, though he felt sure a great injustice was inflicted on India by this agreement when it was borne in mind that China was not without opium. The only change is it is opium from China and elsewhere that the Chinese use.

Speech of Mr. L. R. Tairsee, President, Indian Merchants' Chamber, at the Third Quarterly General Meeting of the Chamber, held on Saturday, the 26th October 1929:—

Gentlemen,

I have much pleasure in placing before you the Report of the work done by your Committee during the months of July, August and September, 1929.

TARIFF HOLIDAY.

I shall begin by referring to a subject, which is of vital importance to this country and regarding which, I fear, that if it is not handled properly or if the public does not pay proper attention to it, we may have to suffer very much in future. You know that the World Economic Conference held at Geneva in May 1927 recommended that the draft International Convention for the abolition of import and export prohibitions and restrictions as prepared by the Economic Committee of the League of Nations should be utilised to lead to a prompt and general agreement permitting the greatest possible number of nations, by their concerted and simultaneous actions, to bring about favourable conditions for the recovery and development of the production and trade of all countries. This Economic Conference was followed by another Session held in the same year when Plenipotentiaries of all the League Members gathered together to consider the same question and to sign the Convention. The Convention was then signed by all the Plenipotentiaries, including Sir Atul Chatterjee for India. The Convention laid it down that "within a period of 6 months from the date of its coming into force all import and export prohibitions and restrictions should be removed and no such pro-

hibitons or restrictions should be imposed thereafter". The contracting parties were enjoined to take steps to put into operation the Convention. The Second International Conference for the abolition of import and export prohibitions and restrictions was held at Geneva in July 1928 with a view to take stock of the situation, the date for depositing the ratifications being 30th Sepember 1929. It was laid down that on ratifications forthcoming from 18 States, the Convention should be brought into force. When the Economic Consultative Committee met in Geneva last May it was found that ratification upto that time was made by two States only. The Committee had to recognise that the recommendations of the World Economic Conference in favour of individual action by States as a means of securing the reduction of tariffs were as yet far from being completely applied, notwithstanding the declaration accepting the principle laid down by that Conference by a great majority of the countries of the world. It was at a meeting of the same Consultative Committee last month that Sir Geoffrey Corbett, representing this country, referring to the nature of Indian tariffs, pointed out, as a sort of a reply to those who wanted India to ratify the Convention, that the Indian tariff system was primarily for revenue purposes. Sir Geoffrey's defence, I am sorry to say, was lame and halting. He admitted, however, that protective tariff was sometimes applied to the industries able to show that within a calculable period they would be able to face world competition unprotected. He, however, added that such cases were few, and that India decided to avoid high protective tariff even for a limited period. I should like to know, which India was meant by Sir Geoffrey Corbett, when he made this remark—the India of the bureaucratic Simla and Delhi or the India of the Indians. A demand has been put forward not from one section or one party but from all platforms and all parties for a high tariff wall for the protection of Indian industries. Different political and communal parties may be at variance with regard to dfferent questions, but there is a complete unanimity of opinion—an unanimity which is to be found in the case of no other question excepting the African question—on this question of the development of India's indigenous industries with the help of a high tariff. Sir Geofrey should have also pointed out to the assembled representatives of different Powers that the condition

of Indian industries was so poor that unless they were given the help of tariff protection they would not be able to survive the competition of advanced industries of other countries. What is known as Tariff Holiday is for those nations, who, in putting up a tariff wall, not six, seven or fifteen feet high, but sometimes even as much as 60, 70 and 100 per cent. have got out of breath. Wherever there is the custom of Purdah we find a compound wall of 8 or 10 feet high to secure immunity against the prying gaze of the passers-by. Countries like the United States of America, however, have got this *Zenana* system with a vengeance. Fast cure can be recommended only for people who have glutted themselves, and not for people who have hardly got a meal a day and sometimes even none. It was unfortunate that when this International Convention was signed no exceptions were put forward on our behalf. I admit that the conclusion which Sir Geoffrey placed before the Conference was sane and sound, viz: that India was unable to support any resolution or participate in any Conference which would bind her to refrain from increasing her customs duties for a period of years. I hope that at a suitable opportunity representatives of India will make it clear to the League of Nations why India cannot participate in tariff holiday-making. I trust Government and our Legislatures will be careful before they commit India in that regard.

ADMINISTRATION OF ADEN.

I should like to refer to the intended transfer of the Civil administration of Aden to the Government of India. Sir L. Rieu, replying to a question put by Mr. Husseinbhoy A. Lalji, stated that the question of transfer was mooted and was under discussion with the Government of India, and that while no decision has been arrived at regarding it, the Government of Bombay consider that from the point of view of administration and of the finances of the Presidency, the scheme has considerable advantages. Sir L. Rieu in answering the question seems to have forgotten the genesis of the whole question. When it was a question of its transfer to the Colonial Government of His Majesty, such responsible public bodies like the British Indian Colonial Merchants' Association, the Imperial Indian Citizenship Association. the Council of Western India Liberal Association,

the Deccan Sabha and ourselves opposed and urged the continuance of the "status quo" in regard to the civil and political administration of that Port, for Indians have played a great part in its development and constitute over one-fourth of the population, most of whom are connected with the Bombay Presidency. Sir Dinshaw E. Wacha, when this matter was before the Council of State, made a lengthy statement pointing out how Aden was deeply associated with the Bombay Presidency; in fact it was joined to it, and stated that it should not be divorced. I want to state that Aden is so much connected with Bombay that it cannot be dissociated without doing harm in all directions to Aden itself and the Bombay Presidency. You all know, Gentlemen, that Aden is a bleak and barren rock and that it has been converted into a thriving port and an 'entreport' of the trade of Arabia, mainly through the efforts of our Bombay merchants and traders who have settled there. It will be a great blow to the interests of these traders and merchants if Aden is now transferred from the jurisdiction of the Government of Bombay to that of the Government of India. I trust that knowing the feelings of the Bombay Presidency in this connection as expressed at the time when it was sought to be transferred to the Colonial Department of His Majesty's Government and in view of the assurances given in that regard by Sir (then Mr.) Dennis Bray (vide his statement on 16th January 1927) that Government have no intention of arriving at a decision without giving the Legislature an opportunity for discussion, as also the assurance given to the Bombay Legislative Council by Sir Chunilal V. Mehta, the then Finance Member and Leader of the House, that the connection of this Presidency with Aden and its civil administration would remain, so far as was known, unaffected by the transfer of military and political matters from the Government of India to the appropriate departments of the Imperial Government, the Government of Bombay will not agree to such an important portion of its territories to be chopped off and transferred to the Government of India.

LABOUR SITUATION.

Since we met last, the great strike in the Textile Industry has exhausted itself. I say "exhausted" advisedly, because it was continued after the Court of Inquiry had been appointed, when one would

have naturally excepted it, according to the spirit of genuine trade unionism, to be called off. It was claimed that it was continuing even when more than one lakh of workmen were at work. It continued even after the publication of findings of the Court. We all know when and how it began; we have yet to know when and how it ended. Perhaps, according to some it is still continuing technically, because it has not been called off. I say this to indicate how little those who are responsible for it are in touch with the realities of the situation. However, we are all glad that it has ended and the Mill Industry is at work again.

The Report of the Court of Inquiry has been published and it remains to be seen how far its findings will help to bring about a lasting settlement of Labour-Capital troubles. The Court of Inquiry not being a normal Court of Law has no sanction behind its findings; and not being a Board of Arbitration it cannot expect the parties to dispute to respect and carry them out morally. But for all that their findings are by no means valueless as they indicate what is wrong and how that wrong can be set right. They diagnose the disease, prescribe for the patients, but cannot force-doctor them. I will not take up your time in referring at length to the findings of the Court of Inquiry; they are given on page 33 and onwards of the Report. It is significent that the Court is unable to lay its finger on the cause of the strike and says: "It is difficult to say that the dispute or disputes, if any, which resulted in the general strike existed between workers themselves and the millowners." The dispute during this period was between the officials of the Girni Kamgar Union on the one hand and the Millowners on the other, resulting from the policy and activities of officials of the Union and the Mill Committees." With this observation I have no doubt there will be a general agreement, and whilst the aggressive propaganda by the Girni Kamgar Union is responsible for and explains the cause and prolongation of the strike, it is difficult to accept that it was wholly due to their activities. The existing causes of which the Girni Kamgar Union took advantage can be reasonably found in the belief of the workers that "All is not as it should be" with them or in the words of the Court of Inquiry, "There was an undercurrent of discontent amongst the workers due mainly to the fear that there would be a cut in their wages and un-

employment." In this connection, the Court of Inquiry quotes with approval the Report of the Industrial Disputes Committee of 1921 which stated: "there is undoubtedly a widespread belief that vicitimisation is practised and the trade union leaders are marked out for dismissal on the first opportunity. We agree with these observations that this widespread belief which prevailed then continues upto the present day and is, in our opinion, responsible for a good deal of distrust of the management by the workers leading to frequent disputes."

It is the belief—whether well or ill founded—which industrialists took no means to counteract and of which the labour leaders took full benefit that is the cause of the trouble and unless this belief is rooted out, it may be the cause of trouble in future.

The worker's grievances against the existing system are somewhat as follows:—

(1) For all his work, the wages he gets do not give him income sufficient for his human needs and leaves no margin for the rainy day.

(2) He has no security of livelihood however willing and eager he may be work. He may be dismissed at a day's notice and thus be deprived of means of livelihood without redress or appeal, perhaps for no better reason than that he offended the "jobbers". Where such things prevail the belief is naturally created in him that something is wrong with such an order of affairs.

(3) Whilst as a citizen the worker, when he has vote, has equal share in determining the nation's issues about which he knows little, in regard to his own work of which he knows something he has no opportunity to express his opinion and be consulted. He sees waste and mistakes in industry but he has no voice in remedying the same.

(4) Our industrial system denies the "man" in him. He has heard or known of the status of worker in foreign lands, the benefits he enjoys as a worker from cradle to

old age. He is protected in infancy by maternity and child welfare services; in childhood by elementary education and scholarships pensions for orphans; in middle life by Factories and Mines Acts for his safety—in old age by persons for insured-man and his wife. When unemployed he receives doles to keep the wolf from the door. By contrast with this, the Indian worker looks upon himself as ill-treated.

(5) He does not know and he has no means of knowing that he is getting a square deal, because the financial results of the industry are not placed before him and thus he has no means of knowing the real financial status of industry and to what extent he is participating in the fruits of his labour. He, therefore, easily believes, when he is told:

"The seed ye sow, another reaps;
The wealth ye find, another keeps;
The robe ye weave, another wears."

All this or something similar to this is felt by the ever-growing number of workers who no longer, as in the past, look upon the employers as their "Ma-bap." 'The good old times, the grand old times, the great old times, the only times," are past beyond recall. Such or similar are the "liberal discontents" inspired by new aspirations legitimate in the new era of industrial democracy and call for consideration. It is a pity that at the initial stages of trade unionism the industrialists here did not benefit by the experience of the West. They looked down on association of workers with suspicion and as untouchables, thereby driving them into the hands of outsiders not a few of whom had perhaps only a philosophic interest in the industry and who found in this an opportunity to add to their own importance as leaders.

The root of the matter is that all ideas of relationship between Labour and Capital as servants and masters are out of date, and hence untouchable in the present Democratic Age, and they will have to be adjusted to new relationship by **"joint ascertainment."** I will suggest to both Labour and Capital to give this the vital link between

them, their utmost attention and devise efficient machinery for negotiation, conciliation and arbitration with a view to reducng the risk of stoppages to a minimum while safeguarding the ultimate right to strike as well as the Industry itself. I would go so far as to suggest making a strike "illegal" which has not exhausted all means provided by agreed-upon machinery of negotiation. The outstanding example of what is possible, and has in fact been achieved, is furnished by the Boot and Shoe Trade in England wherein after the lockout of 1895 the terms of negotiations were agreed upon between the Employers' Federation and the National Union of Boot and Shoe Operatives in which it was categorically stated that "No strike or lockout shall be entered into unless £1000 was deposited by each side with the Trustees to guarantee the due carrying out of provisions of negotiating machinery agreed upon." The agreement contained a Clause which stipulated that if any strike or lockout should last more than three days a claim might be made on the funds first by way of fine or penalty, second by way of damage or compensation for loss sustained. Practically speaking there have been no strikes or lockouts in the 32 years since the agreement was made and the success of the scheme can be judged best by the fact that penalty inflicted in 25 years amounted to £828. I mention this to indicate what is possible given the necessary goodwill and desire to settle.

To-day in Bombay both Labour and Capital are in chastened mood because of bitter experience and hence I consider the present the most psychological moment to arrive at a working arrangement reasonable to both sides to avoid conflicts in the future. Labour has seen where its extreme leaders have led it; against the loss in wages they have but earned for Bombay the two Acts of legislation: the Goonda Act and the Public Safety Act. Capital has also seen what harm can be done my small pin-pricks and that some provision is necessary to convince the worker that he gets fair treatment and to make him believe that he gets it. The worker's status must be improved by provision and safeguards against dismissal and victimisation; assurances should be provided against arbitrary dismissals for disciplinary and other offences, and for alleged inefficiency. The workers and their leaders have to realise that their own material interests are bound up with the prosperity of industry and that this prosperity cannot be

secured without co-operation with Capital. Capitalists have to realise that no industry can, in the long run, make any progress worth the name if the workers without whom it cannot exist have their human needs and aspirations unsatisfied and are deprived of their due share of its fruit. If on the acceptance of these two vital facts a negotiating machinery is agreed upon and arranged, I am sure, the industry would be on a fair way towards a system of co-operation and industrial SWARAJ necessary for its prosperity.

Before passing on I will like to say, even if it be repetition, that while sympathising with the "liberal discontents" or aspirations of Labour, I cannot but point out that betterment of Labour in all directions is conditioned by postulates I have indicated above and by economic facts. It should be the aim of both Labour and Capital to increase the economic results of industry by greater efficiency, discipline and continuous work, and thus bring to the highest pitch the contributions of both to it. This is not possible unless industry has peace and harmony undisturbed by "dadagiri"—be it physical or moral. It is only when the reservoir is full to the extent of over-flowing that copious supplies for all and sundry are possible.

On the other hand, Capital must realise that unless it enters into the spirit of workers—if you will permit me to say, enters into their skins—they will be wanting in their duty. To this the Court of Inquiry make pointed reference in the concluding paragraph of their findings, I mean, the lack of touch and contact by Capital with the workers. Unless this contact is established and the estrangement which exists at present is removed, industry can but be said to run on 3 instead of 4 cylinders. Capital must not forget the significance of call on them contained in the words **"noblesse oblige."**

Let our aim, wish, will and desire be: "Industry first, and all the time," and I trust this will be all the motto of Labour and Capital.

ANTI-INDIAN PROPAGANDA BY BRITISH CHAMBERS

Charles Dickens in his "Chimes" has delienated the character of the Poor Man's Friend, Sir Joseph Bowley, "who in discharge of his duties as the Poor Man's Friend and Father, endeavours to educate his mind by inculcating on all occasions the one great moral les-

son which he requires, viz: his entire Dependence on himself." "His friend the Poor Man has no business with anything of the sort and nothing of the sort has any business with him. No man or body of men has any right to interfere with my friend and me. That is the ground I take. I assume a paternal character towards my friend and say: My good fellow, I will treat you paternally. Your only business in life is with me; you need not trouble to think about anything. I will think for you, I know what is good for you. I am your perpetual parent. Such is the dispensation of an All-wise Providence. The design of your creation is that you should feel the Dignity of Labour. Live hard and temperately; be respectful; exercise your self-denial; bring up your family on next to nothing. Pay our rents as regularly as the clock strikes; be punctual in your dealings." In short, "be a good boy." "For this I may be taunted, as such I have been taunted, but I ask for no other title except to be your Friend and Father."

May I tell the Associated Chambers of Commerce of India and Ceylon who have issued the circular letter dated 27th July 1929, that they have acted poor India's Friend too long—and they have had a long innings at it too—and that it is time that they played the **"colleagues"** with the Indians. As the President of the Federation of Indian Chambers of Commerce and Industry, Mr. G. D. Birla has issued a statement in reply to the said circular letter and pointed out how unnecessarily nervous and wrong the Associated Chambers are in raising the cry of discrimination and expropriation, I will not refer to the subject at length except to say that their cry for economic safeguards "on grounds alike of India's interests and of common justice that the Indian Legislature should not by legislation nor taxation indicating discrimination of racial or communal character imperil the existence of development of or otherwise cause prejudice to any commercial or industrial interests in India", cannot be considered except by virtually denying to India her inherent and natural right to shape her economic policy, and warn that those who give up essential liberty to obtain temporary safety neither deserve liberty nor safety. There can be no Swaraj without the power to devise and follow national policy best suited to our interests and requirements.

The justification pleaded by the authors of such an extraordinary and reactionary demand is the introduction in the Legislative Assembly of the Coastal Traffic Reservation Bill and the acceptance by the Assembly of the principle underlying the said Bill. The said Bill contains no principle of racial discrimination as alleged. The aim and object of the measure is to encourage the creation and growth of an Indian Mercantile Marine and the means by which it is sought to be done is the gradual reservation of the Coasting Trade of India to its own nationals—a worthy and natural ambition. In this the Britishers can take a full hundred percent part by becoming India's nationals. What is there to prevent them, unless it be their Mast (મસ્ત) mentality? If they have the will, the way (મસ્તાન) and Mastan is open to them; if not, they can please themselves.

But what amuses me most is that they who have fattened on discrimination are crying against the Bill. The past maritime history of Great Britain spells "discrimination", and is not the administration of India one unending act of discrimination? For proofs, the Associated Chambers are referred to the Indian Criminal Procedure Code. Have they ever protested against the discrimination between foreigners and nationals of the country? Jatin Das had to lay down his life as a protest against the discrimination of treatment between an Indian accused under trial and a foreign convict. Did the Associated Chambers protest against the requisition by a large number of its community who were against the sentence of flogging inflicted on one of its individuals for an offence involving deep moral turpitude, and against the accused being flogged by an Indian warder? Instances after instances of deliberate and confirmed discrimination can be given, and I will, therefore, request the Associated Chambers of India and Ceylon not to go further in this direction. No use indulging in the pastime of opening the graves of their history; they will only bring out worms and vermins; or if they like it to be put in another way, let them look into their title-deeds and they will find that because of the flaw of discrimination it is no longer marketable in India.

May I in this connection refer you to the words of the Right Honourable Shrinivasa Shastri, whom no one can accuse of extremism or anti-British feeling, used by him in course of discussion on his resolution in the Council of State on 28th February 1923 regarding

the appointment of Indians as departmental secretaries in the Government of India:—

> " * * * * *It is further asserted that these European members will have a grievance that because of their birth they are excluded from certain offices to which but for this consideration they might have been appointed. I am very happy again that Honourable Members on the opposite side appreciate for the first time the odium of erecting a colour barrier. They see for the first time, when it threatens to be applied to them, what it is to be denied an opportunity because of one's colour. Sir, during the hundred years till now we have cried out to the world that we have been excluded on grounds of race and of colour from posts to which by every humane and righteous consideration we were entitled. The official world in the Government of India are beginning for the first time to feel the taste of racial humiliation and the bar sinister placed on the faces of people. I am glad the experience is coming home and I hope it will come home still more * * * * * ".

To indicate how much they would like to have discrimination if they can, I take the following from the Report of the Departmental Committee appointed by the Board of Trade to consider the position of shipping and ship-building industries after the war in 1918:—

> "The Indian Coasting Trade—The coasting trade of British India, like that of the United Kingdom, is open to the flags of all Nations. There is, however, a strong feeling among certain of our Eastern Lines, that this trade should in future be reserved for British ships. We understand that already before the War the Japanese lines strove to force their way into the coasting trade by a policy of rate-cutting in which they were directly assisted by the heavy subsidies paid to them by their Government. Inasmuch as the coasting trade is everywhere regarded as a domestic trade, the action of the Japanese undoubtedly caused resentment, more especially as the coasting trade of Japan is closed to foreign shipping."

It was this paragraph from the Report to which the Indian Mercantile Marine Committee alluded, when they stated:

"In other countries, which have desired to develop a national Mercantile Marine, one direction in which action has been taken to this end has been to reserve the coasting trade for the subjects of the particular country concerned. Under the provisions of the Indian Coasting Trade Act V of 1850 the coasting trade of India is open to all comers and it is the unanimous opinion of all witnesses who have appeared before us that this Act should be repealed with a view to the exclusion of foreigners from the coastal trade. It is understood that this action was suggested before the war, when foreign participation in the Indian coastal trade threatened to assume serious proportions. With the outbreak of war, however, foreign competition declined and the proposal was dropped apparently because it was not considered advantageous to impose restrictions on the coastal trade at a time when India sorely needed coastal ships and was only too glad to receive allied or neutral ships in her ports."

That the desire of the Britishers to reserve the Coasting Trad of India for the British Merchant Marine, that is, practically for themselves is not wholly dead is clear from the fact that even Sir Arthur Froom, who wrote the Minute of Dissent opposing the Reservation of Indian Coastal Trade for Indian ships had no objection to the Indian coasting trade being reserved for British-owned ships flying the British Flag within which he was good and kind enough to include Indian-owned vessels. His exact words are:—

"My opinion is that there are limitations to any sentimental preference shippers may have for tonnage and that the carriage of the trade should be left free at any rate to all British-owned ships, with which I include Indian-owned, flying the British Flag."

This will indicate that the Britishers are not against discrimination **'per se'**—they are against it so far as it benefits India and Indians. My friends the Associated Chambers of Commerce of India and Ceylon may well, therefore, ponder over the proverbial wisdom contained in the adage: "grapes are sour."

MINORITY RIGHTS.

One can understand the Associated Chambers putting forward demands as a Minority community. Several Treaties have been drawn in Europe after the Paris Peace Conference to safeguard the rights of minorities. It is interesting to examine what these are. They guarantee all inhabitants whether citizens of the state or not (1) protection of life and liberty and free practice of religion with the natural reservation that this be in no way dangerous to public order and public morals, and (2) to all citizens or nationals of the country belonging to racial, religious or linguistid minority they guarantee equality in civil and political rights, that is they can vote and hold office same as the dominant nationality. They may freely use their mother language in business, in religious services, in publications, in public meetings and in courts of law. They may establish at their own expense, religious, educational or charitable institutions. In districts where a minority constitutes a 'considerable proportion' of the population, instruction in the primary public schools shall be given in its language, and the minority shall receive a fair share of the sums provided by the State and local budgets for educational and religious purposes."

We thus see what the rights of minorities are, as recognised in civilised countries. Thus, it is open to every person to become a citizen if he has been born or lived in the territory concerned. If he does not choose to accept this nationality he must transfer his place of residence to the state whose allegiance he wishes to retain. Resolution No. 3 of the Assembly of the League of Nations in 1922 again laid down that "While the Assembly recognises the primary rights of the minorities to be protected by the League from oppression it also emphasises the **'duties'** incumbent upon persons belonging to racial, religious or linguistic minorities to co-operate as loyal fellow-citizens with the nations to which they now belong." Nowhere we find any mention of "safeguards" such as the Associated Chambers are asking. It appears to me that what the Associated Chamber want is not obviously the rights of minorities but the monopolies of ruling class, and hence of superior persons. They are not prepared to be nationals of India and as such co-operate as **'loyal fellow-citizens'**, with the In-

dian nation as provided in the Resolution of the League of Nations. What they want is the continuance of their domination political and economic, a thorn in the side of Indians struggling to secure their legitimate and rightful goal of Self-Government. In no other civilised country has such a demand been made or recognised. I know that there have been capitulations in certain countries and that in some countries these capitulations exist even now to some extent, but surely the Associated Chamber do not think that it is possible to continue the policy of capitulations, for underlying their demand there is the spirit of capitulations.

The authors of the circular ask us to so behave as not to "alienate the sympathies of India's well-wishers and do irreparable harm to the credit of the country and deprive it of British capital, initiative and technical experience." Sympathies of India's well-wishers have done so little good to India that want of them will hardly do any harm; and if the credit of India is in being bound to the financial chariot-wheel of England, I have no doubt to the extent that this credit is lessened India will gain in good name and self-respect. Nor have I any fears that British capital, initiative and technical experience will be removed so long as they find return for the same, nor are these the monopoly of Britishers only. The same are continued for the returns they obtain and not out of love for India nor through beneficence of foreigners.

With these words, Gentlemen, I place before you the third quarterly report for your acceptance.

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